BELFIUS BANK SA/NV

(incorporated with limited liability in Belgium)

BELGIAN PANDBRIEVEN PROGRAMMES

EUR 10,000,000,000 Belgian Mortgage Pandbrieven Programme

EUR 10,000,000,000 Belgian Public Pandbrieven Programme

Arranger
Belfius Bank

Dealers

Barclays	Landesbank Baden-Württemberg
Belfius Bank	Natixis
BNP PARIBAS	NatWest Markets
Citigroup	Nomura
Commerzbank	NORD/LB
Credit Suisse	Société Générale Corporate & Investment Banking
Deutsche Bank	UniCredit
DZ BANK AG	

4 October 2022

BELFIUS BANK SA/NV

(incorporated with limited liability in Belgium)

Belgian Pandbrieven Programmes

Belfius Bank SA/NV (the "**Issuer**" or "**Belfius Bank**") has established two separate programs for the issuance of pandbrieven in accordance with the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms (the "**Banking Law**") and its executing royal decrees and regulations (the "**Belgian Covered Bonds Regulations**"): (i) a EUR 10,000,000,000 Belgian Mortgage Pandbrieven Programme (the "**Mortgage Pandbrieven Programme**") pursuant to which Belfius Bank may from time to time issue Belgian mortgage pandbrieven (the "**Mortgage Pandbrieven**"), and (ii) a EUR 10,000,000,000 Belgian Public Pandbrieven Programme (the "**Public Pandbrieven Programme**", and together with the Mortgage Pandbrieven Programme, the "**Programmes**") pursuant to which Belfius Bank may from time to time issue Belgian public pandbrieven (the "**Public Pandbrieven**", and together with the Mortgage Pandbrieven, the "**Pandbrieven**"). The aggregate principal amount outstanding of Mortgage Pandbrieven will not at any time exceed EUR 10,000,000,000 (or the equivalent in other currencies, as at the date of issuance of the Mortgage Pandbrieven). The aggregate principal amount outstanding of Public Pandbrieven will not at any time exceed EUR 10,000,000,000 (or the equivalent in other currencies, as at the date of issuance of the Public Pandbrieven).

Pandbrieven may be issued in dematerialised form ("**Dematerialised Pandbrieven**") or in registered form ("**Registered Pandbrieven***"*). Dematerialised Pandbrieven will be represented by a book-entry in the records of the clearing system operated by the National Bank of Belgium (the "**NBB-SSS**") or any successor thereto (the "**Securities Settlement System**") in accordance with Article 7:35 et seq. of the Belgian code of companies and associations (*Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations*) (the "**Belgian Code of Companies and Associations**"). Registered Pandbrieven will be registered in a register maintained by the Issuer or by the Registrar in accordance with Article 7:27 et seq. of the Belgian Code of Companies and Associations.

The Pandbrieven under each Programme may be issued on a continuing basis to one or more dealers appointed from time to time under the relevant Programme, which appointment may be for a specific issuance or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). The Issuer may issue and/or agree with any Dealer or investor (as applicable) to issue Pandbrieven under each Programme in a form and subject to conditions not contemplated by the terms and conditions or the final terms set out herein or under a different prospectus or without prospectus. None of the Dealers under any of the Programmes shall be responsible for, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Pandbrieven or any Programme Documents, or any other agreement or document relating to the Pandbrieven or any Programme Document prepared by the Issuer in respect of the relevant Programme, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Pandbrieven and said Programme Documents prepared by the Issuer in respect of the relevant Programme.

This document constitutes a base prospectus (the "**Base Prospectus**") within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EU (the "**EU Prospectus Regulation**"). This Base Prospectus has been approved by the *Belgian Financial Services and Markets Authority* (the "**FSMA**"), in its capacity as competent authority under the EU Prospectus Regulation. The FSMA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Pandbrieven. Investors should make their own assessment as to the suitability of investing in the Pandbrieven.

The date of this Base Prospectus is 4 October 2022. This Base Prospectus shall be valid for a period of twelve months from its date of approval. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus is no longer valid.

Application may be made to Euronext Brussels SA/NV ("**Euronext Brussels**") for Pandbrieven issued under each of the Programmes for the period of 12 months from the date of approval of this Base Prospectus to be listed and admitted to trading on the regulated market of Euronext Brussels (the "**Market**"). The Market is a regulated market for the purposes of Directive 2014/65/EU as amended, supplemented or replaced from time to time of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, supplemented or replaced from time to time, "**MiFID II**"). No certainty can be given that the application will be granted. The Issuer may also issue unlisted Pandbrieven under each of the Programmes or request the listing of Pandbrieven under each of the Programmes on any other stock exchange or market. The applicable final terms in respect of the issuance of any Pandbrieven under each of the Programmes will specify whether or not such Pandbrieven will be listed and, if so, whether on the Market or on any other stock exchange or market.

The "**Supervisory Authority**" (i.e. the National Bank of Belgium ("**NBB**") and any other supervisory authority to which relevant powers may be transferred) has admitted the Issuer to the list of credit institutions that are authorised to issue covered bonds and has admitted each Programme to the list of authorised programmes for the issuance of covered bonds under the category Belgian pandbrieven

(*Belgische pandbrieven/lettres de gage belges*). Both lists can be consulted on the website of the Supervisory Authority (currently at www.nbb.be). Pandbrieven issued under each Programme will constitute Belgian pandbrieven under the Belgian Covered Bonds Regulations and will as such be included in the list of the Supervisory Authority. The Pandbrieven can also be referred to as "European covered bonds (premium)" (*Europese gedekte obligaties (premium)/obligation garantie européenne (de qualité supérieure)*) in accordance with the Belgian Covered Bonds Regulations.

Each Series of Pandbrieven under each Programme may on issuance be assigned a rating by Fitch Ratings Ireland Limited ("**Fitch**"), a rating by Moody's France S.A.S. ("**Moody's**") and/or a rating by Standard & Poor's Global Ratings Europe Limited ("**Standard & Poor's**" or "**S&P**"), and/or a rating by such other rating agency as shall be specified in the final terms in respect of the issuance of any Pandbrieven, to the extent each such agency is a Rating Agency (as defined herein) at the date of issuance of the Pandbrieven.

Each of the Rating Agencies is established in the European Union and in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") published on the European Securities and Markets Authority's ("**ESMA**") website (currently at www.esma.europa.eu) is registred in accordance with the CRA Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Series of Pandbrieven (as defined in "*Overview of the Programmes*") to be issued under each Programme will be rated or unrated. Where a Series of Pandbrieven is to be rated, such rating will not necessarily be the same as the ratings assigned to other Series of Pandbrieven under the relevant Programme. Whether or not a rating in relation to any Series of Pandbrieven will be treated as having been issued by a credit rating agency established in the European Union and/or in the UK and registered under the CRA Regulation will be disclosed in the applicable final terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The issue price and amount of the relevant Pandbrieven will be determined at the time of the offering of each Tranche based on the then prevailing market conditions and will be set out in the applicable final terms.

Pandbrieven issued under the Programmes will not be placed with "consumers" within the meaning of the Belgian code of economic law of 28 March 2013 (*Wetboek van economisch recht/Code de droit économique*), as amended from time to time (the "**Belgian Code of Economic Law**") and are not intended to be offered, sold or otherwise made available to and should not be offerered, sold or otherwise made available to any "retail investors" in the the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**").

In the case of any Pandbrieven which are to be admitted to trading on a regulated market within the EEA or the UK or offered to the public in a member state of the EEA or the UK in circumstances which require the publication of a prospectus under the EU Prospectus Regulation or under Regulation EU 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**"), as applicable, the specified denomination of Pandbrieven issued under this Base Prospectus shall be EUR 100,000 (or the equivalent of at least EUR 100,000 in any other currency as at the date of issuance of the Pandbrieven).

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus.

IMPORTANT INFORMATION

GENERAL

This Base Prospectus has been prepared on the basis that any offer to the public of Pandbrieven under each Programme in any member state of the EEA and the UK (each a "**Relevant State**") will be made pursuant to an exemption under the EU Prospectus Regulation and the UK Prospectus Regulation. When used in this Base Prospectus, "**Prospectus Regulation**" means EU Prospectus Regulation and UK Prospectus Regulation. Accordingly, any person making or intending to make an offer of Pandbrieven in that Relevant State which Pandbrieven are the subject of an offering contemplated in this Base Prospectus as completed by the final terms in relation to the offer of those Pandbrieven may only do so in circumstances in which no obligation arises for the Issuer or any Dealer under the relevant Programme to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Pandbrieven under any of the Programmes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see Section 3 "*Documents Incorporated by Reference*"). Other than in relation to the documents which are deemed to be incorporated by reference, potential investors in the Pandbrieven should be aware that the information on any website to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of the Dealers accept any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by a Dealer or on its behalf in connection with the Issuer or the issuance and offering of the Pandbrieven under any of the Programmes. Each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other information supplied in connection with any of the Programmes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers under the relevant Programme that any recipient of this Base Prospectus or any person supplied with other information provided in connection with the relevant Programme should purchase the Pandbrieven. Each potential purchaser of Pandbrieven should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Pandbrieven should be based upon such independent investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Pandbrieven or any information coming to the attention of any of the Dealers.

No person is or has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issuance or sale of the Pandbrieven and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in Section 1 "*Overview of the Programmes*") under the relevant Programme. Without prejudice to Section 4 "*Prospectus Supplement*", neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that there has been no adverse change in the

financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the relevant Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Dealers have not prepared any financial statements or reports referred to in this Base Prospectus and have not separately conducted any due diligence.

In the case of any Pandbrieven which are to be admitted to trading on a regulated market within the EEA or the UK or offered to the public in a Relevant State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the specified denomination of Pandbrieven issued under this Base Prospectus shall be EUR 100,000 (or the equivalent of at least EUR 100,000 in any other currency as at the date of issuance of the Pandbrieven).

This Base Prospectus contains or incorporates by reference certain statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Issuer's business strategies, trends in its business, competition and competitive advantage, regulatory changes, and restructuring plans. Words such as believes, expects, projects, anticipates, seeks, estimates, intends, plans or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer does not intend to update these forward-looking statements except as may be required by applicable securities laws. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements (see Section 2 "*Risk Factors*"). When evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified which are specific to the Issuer and/or to the Pandbrieven and which are material for taking an informed investment decision, as corroborated by the content of this Base Prospectus.

This Base Prospectus contains various amounts and percentages which have been rounded and, as a result, when those amounts and percentages are added up, they may not total.

Unless otherwise stated, capitalised terms used in this Base Prospectus have the meanings set forth in this Base Prospectus.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFER OF THE PANDBRIEVEN GENERALLY

The distribution of this Base Prospectus and the offering or sale of the Pandbrieven in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger under the relevant Programme to inform themselves about and to observe any such restriction. The Pandbrieven have not been and will not be registered under the United States Securities Act of 1933, as amended from time to time (the "**Securities Act**"). Subject to certain exceptions, Pandbrieven may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). For a description of certain restrictions on offers and sales of Pandbrieven and on distribution of this Base Prospectus, see "*Subscription and Sale*".

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Pandbrieven.

Prohibition of sales to EEA retail investors - Pandbrieven issued under each of the Programmes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any "retail investors" in the EEA. For these purposes, a retail investor means a person who is one

(or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the EU Prospectus Regulation, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Pandbrieven or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Pandbrieven or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail investors - Pandbrieven issued under each of the Programmes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**UK FSMA 2000**") and any rules or regulations made under the UK FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Pandbrieven or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Pandbrieven or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Prohibition of sales to consumers in Belgium – The Pandbrieven are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to "consumers" (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law, as amended.

MIFID II product governance / target market – The Final Terms in respect of any Pandbrieven will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Pandbrieven and which channels for distribution of the Pandbrieven are appropriate. Any person subsequently offering, selling or recommending the Pandbrieven (a "**distributor**") should take into consideration the target market assessment. A distributor subject to MiFID II is, however, responsible for undertaking its own target market assessment in respect of the Pandbrieven (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II product governance rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any dealer subscribing for any Pandbrieven is a manufacturer in respect of such Pandbrieven, but otherwise neither such dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID II Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Pandbrieven will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Pandbrieven and which channels for distribution of the Pandbrieven are appropriate. Any person subsequently offering, selling or recommending the Pandbrieven (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Pandbrieven (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Pandbrieven under the relevant Programme is a manufacturer in respect of such Pandbrieven, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Benchmark Regulation – Amounts payable under the Pandbrieven may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the applicable final terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant final terms (or, if located outside the European Union, is not required to have obtained recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant final terms to reflect any change in the registration status of the administrator.

Amounts payable under the Pandbrieven may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**") which is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Base Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation.

Pandbrieven issued as Green Bonds – None of the Issuer, the Arranger nor the Dealers accepts any responsibility for any third party social, environmental or sustainability assessment of any Pandbrieven issued as Green Bonds or makes any representation or warranty or assurance whether such Pandbrieven will meet any investor expectations or requirements regarding such "green", "sustainability" or similar labels. None of the Arranger nor the Dealers are responsible for the use of proceeds for any Pandbrieven issued as Green Bonds, nor the impact or monitoring of such use of proceeds.

No representation or assurance is given by the Issuer, the Arranger or the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Pandbrieven issued as Green Bonds, nor is any such opinion or certification a recommendation by the Issuer, the Arranger or any Dealer or any other person to buy, sell or hold any such Pandbrieven.

In the event any such Pandbrieven are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainability" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing or admission will be obtained or maintained for the lifetime of the Pandbrieven.

Any information on, or accessible through, the Issuer's website relating to the Issuer's Green Bond Framework (as defined in the section headed "*Use of Proceeds*") and the information in the Green Bond Framework and any second party opinion is not part, nor is it incorporated in, of this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to the Pandbrieven.

In addition, no assurance or representation is given by the Issuer, the Arranger, the Dealers or any other person as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Pandbrieven. Any such opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein and/or the provider of such opinion for the purpose of any investment in the Pandbrieven.

CONSIDERATION OF INVESTMENT

An investment in a particular Series of Pandbrieven under each of the Programmes may involve certain risks, which will vary depending on the type of the Pandbrieven. The Pandbrieven may not be a suitable investment for all investors. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the particular Series of Pandbrieven under the relevant Programme, the merits and risks of investing in the Pandbrieven under the relevant Programme and the information contained or referred to in this Base Prospectus or any applicable supplement;

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Pandbrieven under the relevant Programme and the impact the Pandbrieven under the relevant Programme will have on its overall investment portfolio;

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Pandbrieven under the relevant Programme, including Pandbrieven with principal or interest payable in another currency, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understands thoroughly the terms of the Pandbrieven under the relevant Programme and be familiar with the behaviour of any relevant indices and financial markets; and

(e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

STABILISATION

In connection with the issue of any Tranche (as defined in the sections headed "*Method of Issue*" under Section 1 "*Overview of the Programmes*") of Pandbrieven, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Pandbrieven or effect transactions with a view to supporting the market price of the Pandbrieven at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the relevant Tranche and 60 calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

ENGLISH CONCEPTS

The Pandbrieven under each Programme are issued in accordance with the Belgian Covered Bonds Regulations as further described in this Base Prospectus. The official text of the Belgian Covered Bonds Regulations is in Dutch and in French and any discrepancies or differences created in the translation of legal concepts in this Base Prospectus are not binding and have no legal effect. If any questions arise on the accuracy of the information in relation to the Belgian Covered Bonds Regulations contained in this Base Prospectus, please refer to the official Dutch and French version of the relevant legislative text, which shall prevail.

CURRENCIES

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to ***euro***, ***EUR*** and ***€*** are to the currency introduced on 1 January 1999 pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union and as amended from time to time.

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SECTION 1
OVERVIEW OF THE PROGRAMMES

*This overview constitutes a general description of each of the Programmes for the purposes of Article 25.1(b) of Commission Delegated Regulation 2019/980 of 14 March 2019 supplementing the Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended, supplemented and/or complemented from time to time. It summarises the main terms applicable to respectively (i) the Mortgage Pandbrieven issued under the Mortgage Pandbrieven Programme pursuant to the relevant terms and conditions set out in this Base Prospectus (the "**Mortgage Pandbrieven Conditions**" or "**MP Conditions**") and the relevant final terms based on the form set out in this Base Prospectus (the "**Mortgage Pandbrieven Final Terms**" or "**MP Final Terms**"), and (ii) the Public Pandbrieven issued under the Public Pandbrieven Programme pursuant to the relevant terms and conditions set out in this Base Prospectus (the "**Public Pandbrieven Conditions**" or "**PP Conditions**") and the relevant final terms based on the form set out in this Base Prospectus (the "**Public Pandbrieven Final Terms**" or "**PP Final Terms**"). When used in this Base Prospectus, "**Conditions**" may refer to Mortgage Pandbrieven Conditions/MP Conditions and/or Public Pandbrieven Conditions/PP Conditions and "**Final Terms**" may refer to Mortgage Pandbrieven Final Terms/MP Final Terms and/or Public Pandbrieven Final Terms/PP Final Terms, as the context requires.*

*The Issuer may from time to time issue Pandbrieven under each Programme which are subject to terms and conditions and/or final terms not contemplated by this Base Prospectus, including (without limitation) in the case of Pandbrieven governed by German law (Gedeckte Namensschuldverschreibungen) ("**N Bonds**"). In such circumstances, the relevant (form of) terms and conditions (and, if applicable, final terms) will be set out in a schedule to the Programme Agreement (as the same may be amended, supplemented, replaced and/or restated from time to time) relating to the relevant Programme.*

This overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Base Prospectus and, in relation to the terms and conditions of any particular Series or Tranche of Pandbrieven, the applicable Final Terms.

1.1. MORTGAGE PANDBRIEVEN PROGRAMME OVERVIEW

Information relating to the Issuer	
Issuer	Belfius Bank SA/NV (the "**Issuer**" or "**Belfius Bank**") is a limited liability company of unlimited duration incorporated under Belgian law, licensed as a Belgian credit institution and registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185. Its registered office is at 1210 Brussels, Place Charles Rogier 11, Belgium, telephone +32 22 22 11 11.
Issuer's legal entity identifier (LEI)	A5GWLFH3KM7YV2SFQL84
NBB issuer license	The "**Supervisory Authority**" (i.e. the NBB) and any other supervisory authority to which relevant powers may be transferred) has admitted the Issuer to the list of credit institutions that are authorised to issue covered bonds on 6 November 2012.
Information relating to the Mortgage Pandbrieven Programme	
Description	The Belgian Mortgage Pandbrieven Programme (the "**Mortgage Pandbrieven**

	Programme" or "**MP Programme**") is a programme for the continuous offer of Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) (the "**Mortgage Pandbrieven**") in accordance with the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms (the "**Banking Law**") and its executing royal decrees and regulations (the "**Belgian Covered Bonds Regulations**") on any issue date (each, an "**Issue Date**").
Mortgage Pandbrieven Programme license	The Supervisory Authority has admitted the Mortgage Pandbrieven Programme to the list of authorised programmes for the issuance of covered bonds under the category Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) on 6 November 2012. Upon so being notified by the Issuer, the Supervisory Authority shall regularly update such list with the Mortgage Pandbrieven issued under the Mortgage Pandbrieven Programme and shall indicate that the Mortgage Pandbrieven constitute Belgian pandbrieven under the Belgian Covered Bonds Regulations.
Mortgage Pandbrieven Programme Limit	EUR 10,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate outstanding principal amount of Mortgage Pandbrieven at any time.
Belgian Mortgage Pandbrieven	The Mortgage Pandbrieven will be issued as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) in accordance with the Belgian Covered Bonds Regulations. The Mortgage Pandbrieven respect all the criteria of the Belgian pandbrieven in the Belgian Covered Bonds Regulations and therefore qualify as "European covered bonds (premium)" (*Europese gedekte obligaties (premium)/obligation garantie européenne (de qualité supérieure)*) in accordance with the Belgian Covered Bonds Regulations. The National Bank of Belgium publishes a list of Belgian pandbrieven qualifying as European covered bonds (premium), including the Mortgage Pandbrieven on its website (www.nbb.be). This website and the information contained thereon does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA. All Mortgage Pandbrieven to be issued under the Mortgage Pandbrieven Programme will be covered by the same special estate (*bijzonder vermogen/patrimoine spécial*) of the Issuer constituted pursuant to Article 3 of Annex III to the Banking Law in relation to the MP Programme and in which the MP Cover Assets (as defined below) are segregated (the "**MP Special Estate**"). The main asset class of the MP Special Estate will consist of Belfius Bank's residential mortgage loans within the meaning of the Belgian Covered Bonds Regulations (the "**Residential Mortgage Loans**", and together with any other assets registered as cover assets (*dekkingsactiva/actifs de couverture*), the "**MP Cover Assets**"). The Residential Mortgage Loans are primary assets (*primaire active/actifs principaux*) as defined in Article 1, 9° of Annex III to the Banking Law ("**Primary Assets**"). The Issuer shall procure that the value of the Residential Mortgage Loans calculated in accordance with the Belgian Covered Bonds Regulations (and including any collections in respect thereto) will at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Mortgage Pandbrieven of all Series. The Issuer will maintain a cover register in which both the issued Mortgage Pandbrieven and the MP Cover Assets are registered in accordance with Article 15, §1, 1° of Annex III to the Banking Law (the "**MP Cover Register**").

	See Section 6.2.1 (*Summary description of the legal framework for Belgian covered bonds and Belgian pandbrieven - Composition of the special estate*) and MP Condition 11 (*Issuer Covenant*) for further information on the composition of the MP Special Estate.
Status and ranking of Mortgage Pandbrieven	The Mortgage Pandbrieven will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times at least *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future. In addition and pursuant to the Belgian Covered Bonds Regulations, the MP Noteholders and any MP Other Creditors (as defined below) will in case a liquidation procedure is started against the Issuer or in case the Issuer is resolved benefit from a dual recourse consisting of (i) an exclusive right of recourse against the MP Special Estate and (ii) an unsecured, unsubordinated recourse against the general estate of the Issuer.
Over-Collateralisation and Cover Tests	At the time of the issuance and as long as any Mortgage Pandbrieven remain outstanding, the Issuer must, in respect of the MP Special Estate, meet the following cover tests as provided for in the Belgian Covered Bonds Regulations. The value of the Primary Assets registered as Cover Assets in the MP Special Estate must represent at least 85 per cent. of the Series Principal Amount Outstanding of the Mortgage Pandbrieven of all Series (the "**85 per cent. Asset Coverage Test**"). The value of the MP Cover Assets must provide an excess cover such that their value exceeds the Principal Amount Outstanding of the Mortgage Pandbrieven. The value of the MP Cover Assets must represent at least 105 per cent. of the Series Principal Amount Outstanding of the Mortgage Pandbrieven of all Series (the "**Over-Collateralisation Test**"). The value of the principal amount of the MP Cover Assets can only be taken into account for the purpose of the Over-Collateralisation Test if they are not otherwise taken into account to satisfy other obligations than the payment of principal on the Mortgage Pandbrieven for the purpose of the Amortisation Test (as defined below). The sum of interest, principal and all other revenues generated by the MP Cover Assets composing MP Special Estate (including the Primary Assets and the other assets being part of the relevant MP Special Estate, i.e. "**Secondary Assets**") must, for the duration of the Mortgage Pandbrieven, provide a sufficient cover (i) for the payment of principal and interest on the Mortgage Pandbrieven, (ii) for the obligations towards the MP Noteholders and any MP Other Creditors (as defined below) and (iii) for the maintenance and the management of the MP Special Estate, including the costs for the reduction of the MP Special Estate (the "**Amortisation Test**"). To determine the extent to which the principal amount of the MP Cover Assets is included in the calculation referred to above, the eligibility criteria set out in Article 3 of the Covered Bonds Royal Decree shall be taken into account in accordance with Article 5, §3, first indent of the Covered Bonds Royal Decree. The interest generated by the MP Cover Assets are calculated, and the costs for maintenance and management, are calculated and estimated in accordance with Article 5, §3, second and third indent of the Covered Bonds Royal Decree. The 85 per cent. Asset Coverage Test, the Over-Collateralisation Test and the Amortisation Test are hereinafter jointly referred to as the "**Cover Tests**". See also Section 6.2.3.2 (*Cover Tests*).

Valuation Methodology

The value of the MP Cover Assets are determined in accordance with the valuation methodology set out in Article 6 of the Covered Bonds Royal Decree. In all circumstances, the value of an asset for which there is a payment default within the meaning of Article 178 of CRR is zero. The value of an asset that is 30 days past due and less than 90 days past due will only be taken into account for 50 per cent. of the value. See also Section 6.2.3.3 (*Cover Asset Valuation Methodology*).

Liquidity Buffer

The Belgian Covered Bonds Regulations provide that the MP Special Estate must contain sufficient liquid and available MP Cover Assets to provide a liquidity buffer in order to enable the Issuer to cover the net liquidity outflows of the MP Programme at any time, as well as the maximum amount of the sum of the net liquidity outflows calculated over a six month period (the "**Liquidity Test**"). As an Extended Maturity Date applies to all Series of Mortgage Pandbrieven, the principal amount of the Series of Mortgage Pandbrieven taken into account for the purpose of the calculation of the net liquidity outflow can be based on the extended final maturity as stipulated in the issue conditions.

The Cover Tests and the Liquidity Test are hereinafter jointly referred to as the "**Statutory Tests**".

Liquid assets that can be used for the purpose of the Liquidity Test are, in accordance with Article 7 of the Covered Bonds Royal Decree:

(a) MP Cover Assets satisfying the requirements of assets of level 1 in accordance with Commission Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions, that are valued in accordance with this Commission Delegated Regulation and which are not issued by the Issuer;

(b) Short term exposures and short term deposits as set out in Article 3 §1, 4°, a) of the Covered Bonds Royal Decree.

See also Section 6.2.3.5 (*Liquidity Test*).

Issuer Covenant

The Issuer will covenant in favour of the MP Noteholders and the MP Noteholders' Representative for so long as the Mortgage Pandbrieven are outstanding that it will ensure that:

(a) it will continuously comply with the obligations applicable to it under the Belgian Covered Bonds Regulations, including the Statutory Tests;

(b) the MP Special Estate will mainly consist of Residential Mortgage Loans;

(c) the MP Special Estate will not contain any commercial mortgage loans;

(d) the value of the Residential Mortgage Loans registered as MP Cover Assets in the MP Cover Register (including any collections in respect thereto) (a) is calculated in accordance with the Belgian Covered Bonds Regulations and (b) will at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Mortgage Pandbrieven of all Series (it being understood that any surplus above 105 per cent. may be composed of other eligible assets under the MP Programme);

(e) only Residential Mortgage Loans with a current loan to current value ratio of maximum 120 per cent. will be added to the MP Special Estate;

(f) only fully drawn Residential Mortgage Loans will be added to the MP Special Estate; and

(g) the MP Special Estate will at all times include cover assets which (i) are eligible as collateral for Eurosystem monetary policy purposes and intra-day credit operations by the Eurosystem, (ii) have a credit quality step 1 as defined in the Capital Requirements Regulation; (iii) are subject to a daily mark-to-market and have a market value which, after applying the European Central Bank ("**ECB**") haircut in accordance with the Guideline 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy (as amended, supplemented, replaced and/or restated from time to time), is higher than the amount of interest due and payable on the outstanding Mortgage Pandbrieven within a period of one year, (iv) have a remaining maturity of more than one year, and (v) are not debt issued by the Issuer.

Risk Management Policies

The issuing credit institution must establish risk management policies and perform a stress test on a quarterly basis in order to guarantee that the liquidity flows generated by the MP Cover Assets remain sufficient to satisfy the requirements of the Cover Tests and the Liquidity Test and/or, as the case may be, must possess other assets that can be used quickly as cover asset in order to provide relevant coverage.

The stress tests do at least need to take into account:

(a) sudden and unexpected interest rate or exchange rate movements;

(b) scenarios with different levels of percentages of early prepayment of cover assets; and

(c) scenarios with material deterioration of the credit quality of the cover assets.

See also Section 6.2.3.4 (*Risk Management*).

Cross-Acceleration

Upon service of an acceleration notice under any of the Series of Mortgage Pandbrieven, all outstanding Mortgage Pandbrieven issued under the Mortgage Pandbrieven Programme will become immediately due and payable on the relevant acceleration date, together with any accrued interest, and they will rank *pari passu* among themselves. An acceleration notice under the Mortgage Pandbrieven Programme will however not trigger an acceleration of the outstanding Public Pandbrieven under the Public Pandbrieven Programme (hence no cross-acceleration between the Programmes).

Post-Acceleration Priority of Payments

All monies (other than amounts standing to the credit of a swap collateral account which will be applied in accordance with the provisions of the relevant swap agreement) received or recovered by the MP Special Estate (whether in the administration or the liquidation of the MP Special Estate or otherwise) following (i) the service of an acceleration notice or (ii) a liquidation of the MP Special Estate in accordance with Article 11, 6° or 7° of Annex III to the Banking Law, will be applied in the following order of priority (the "**Post-Acceleration Priority of Payments**"), in each case only if and to the extent that payments or provisions of

a higher priority have been made:

(a) *first*, in or towards satisfaction of all amounts due and payable, including any costs, charges, liabilities and expenses, to the MP Cover Pool Administrator (including any of its representatives and delegates);

(b) *second*, in or towards satisfaction of all amounts due and payable, including any costs, charges, liabilities and expenses, to the MP Noteholders' Representative;

(c) *third*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of any Expenses which are due and payable to the MP Operating Creditors;

(d) *fourth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of (i) any Pari Passu Swap Amounts and (ii) any payments of amounts due and payable to MP Noteholders *pro rata* and *pari passu* on each Series in accordance with the MP Conditions;

(e) *fifth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of any Junior Swap Amounts; and

(f) *sixth*, thereafter any remaining monies will be paid to the general estate of the Issuer.

For the purposes of this provision, under this Section 1.1 in relation to the MP Programme, terms in capital letters have the following meaning:

"**Expenses**" means any costs, charges, liabilities, expenses or other amounts payable by the Issuer or by the MP Special Estate, as applicable, to any MP Operating Creditor plus any value added tax or any other tax or duty payable thereon.

"**Junior Swap Amount**" means any swap termination amount whereby the MP Derivative Contract Counterparty is the defaulting party or any such other amount, including any costs, charges, liabilities and expenses, due and payable to an MP Derivative Contract Counterparty (in accordance with the relevant swap agreement) and which under the relevant swap agreement are expressed to rank junior to interest and principal due to MP Noteholders and any other party ranking senior in accordance with the Post-Acceleration Priority of Payments.

"**MP Derivative Contract Counterparty**" means a derivative contract counterparty under a swap agreement entered into by the Issuer in relation to the MP Special Estate.

"**MP Operating Creditor**" means any of (1) the MP (Principal) Paying Agent, (2) the MP Fiscal Agent, (3) the MP Cover Pool Monitor, (4) the MP Registrar, (5) the MP Servicer, (6) any account bank holding assets on behalf of the MP Special Estate, (7) any stock exchange on which the Mortgage Pandbrieven are listed, (8) the Issuer's statutory auditor(s), legal counsel and tax advisers for services provided for the benefit of the MP Special Estate, (9) the Rating Agencies in relation to any Mortgage Pandbrieven issued under the MP Programme, (10) any independent accountant or independent calculation agent for services provided for the benefit of the MP Special Estate, (11) any custodian in relation to the MP Programme, (12)

any agent or party appointed in accordance with the MP Programme Documents or any other creditor of amounts due in connection with the management and administration of the MP Special Estate or (13) any other creditor which may have a claim against the MP Special Estate as a result of any services provided or contracts entered into in relation to the Mortgage Pandbrieven or the MP Programme, as may from time to time be specified in the MP Conditions of any Mortgage Pandbrieven issued under the MP Programme.

"**MP Other Creditor**" means the MP Noteholders' Representative, any MP Operating Creditor, any MP Derivative Contract Counterparty and the MP Cover Pool Administrator.

"**Pari Passu Swap Amount**" means each amount, including any costs, charges, liabilities and expenses, due and payable to an MP Derivative Contract Counterparty and which under the relevant swap agreement are expressed to rank *pari passu* with interest or principal (as applicable) due to MP Noteholders.

Cross-Default	None (other than cross-acceleration between Series of Mortgage Pandbrieven).
Negative Pledge	None.

Information relating to the parties involved in the MP Programme

MP Arranger	Belfius Bank SA/NV
MP Dealers	Barclays Bank Ireland PLC Belfius Bank SA/NV BNP Paribas Citigroup Global Markets Europe AG Commerzbank Aktiengesellschaft Credit Suisse Bank (Europe) S.A. Deutsche Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Landesbank Baden-Württemberg Natixis NatWest Markets N.V. Nomura Financial Products Europe GmbH Norddeutsche Landesbank - Girozentrale - Société Générale UniCredit Bank AG *The Issuer may from time to time terminate the appointment of any MP Dealer under the MP Programme or appoint additional MP Dealers either in respect of one or more Tranches or in respect of the whole MP Programme.*
MP Fiscal Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable MP Conditions or MP Final Terms.
MP Principal Paying Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable MP Conditions or MP Final Terms.
MP Paying Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable MP Conditions or MP Final Terms.

MP Registrar	Belfius Bank SA/NV, unless otherwise specified in the applicable MP Conditions or MP Final Terms.
MP Servicer	Belfius Bank SA/NV, unless otherwise specified in the applicable MP Conditions or MP Final Terms.
MP Clearing Systems	The clearing system operated by the NBB-SSS or any successor thereto (the "**Securities Settlement System**") (or any other entity entitled by law to replace any such clearing system), Euroclear Bank SA/NV ("**Euroclear Bank**"), Clearstream Banking AG, Frankfurt ("**Clearstream Banking Frankfurt**"), SIX SIS Ltd, Switzerland ("**SIX SIS**"), Monte Titoli S.p.A., Italy ("**Euronext Securities Milan**"), Euroclear France SA, Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Euronext Securities Porto**"), LuxCSD S.A. ("**LuxCSD**") and/or such other clearing system as may be agreed between the Issuer, the MP Fiscal Agent and (where applicable) the relevant MP Dealer(s)[1].
MP Noteholders' Representative	Stichting Belfius Mortgage Pandbrieven Noteholders' Representative, a foundation (*stichting*) incorporated under Dutch law on 31 October 2012. It has its registered office at Amsterdam. Its managing director is Amsterdamsch Trustee's Kantoor B.V.
MP Cover Pool Monitor	EY Bedrijfsrevisoren BV/ EY Réviseurs d'Entreprises SRL and its representative (as approved by the Supervisory Authority in accordance with the Belgian Covered Bonds Regulations). The MP Cover Pool Monitor will perform its duties in relation to the MP Programme in accordance with the Belgian Covered Bonds Regulations and the contractual arrangements that will be agreed upon between the MP Cover Pool Monitor and the Issuer.
MP Cover Pool Administrator	The Belgian Covered Bonds Regulations provide that, in certain circumstances of distress, the Supervisory Authority may replace the management of the MP Special Estate by entrusting it to a cover pool administrator. Such circumstances are any of the following: (a) upon the adoption of a measure or sanction as provided for under Article 8, §1, 1° of Annex III to the Banking Law against the issuing credit institution if, in the opinion of the Supervisory Authority, such measure or sanction and/or the reasons for it may prejudice the rights of the MP Noteholders and/or of any third parties who may have a claim on the MP Special Estate; (b) upon the initiation of winding-up proceedings (*liquidatieprocedure/procédure de liquidation*) against the issuing credit institution; (c) upon the withdrawal of the General Authorisation and/or Specific Authorisation(s); or (d) in circumstances where the situation of the issuing credit institution is such that it may seriously affect (*ernstig in gevaar kan brengen/mettre gravement en péril*) the interest of the MP Noteholders.

The parties listed above (other than any MP Cover Pool Administrator) are appointed to act in respect of the MP Programme pursuant to the MP Programme Documents as further described under Section 5

[1] The official list of participants as amended, supplemented and/or replaced from time to time can be consulted on the website of the NBB on http://www.nbb.be. The information contained on the website of the National Bank of Belgium (www.nbb.be) does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA.

*(Description of the Programmes) of this Base Prospectus (the "**MP Programme Documents**"). The relevant MP Programme Documents provide that other parties may be appointed from time to time and contain certain provisions in relation to the replacement of the above-mentioned parties.*

Information relating to the Mortgage Pandbrieven issued under this Base Prospectus

Form of Mortgage Pandbrieven	Mortgage Pandbrieven can be issued (i) in dematerialised form ("**Dematerialised Mortgage Pandbrieven**") in accordance with Article 7:35 et seq. of the Belgian Code of Companies and Associations via a book-entry system maintained in the records of the NBB-SSS in its capacity as operator of the Securities Settlement System or (ii) in registered form ("**Registered Mortgage Pandbrieven**") in accordance with Article 7:27 et seq. of the Belgian Code of Companies and Associations. No physical documents of title will be issued in respect of Dematerialised or Registered Mortgage Pandbrieven.
Method of Issue	The Mortgage Pandbrieven will be issued in series (each a "**Series**"). Each Series may comprise one or more Tranches issued on the same or different issue dates. A "**Tranche**" means, in relation to a Series, Mortgage Pandbrieven which are identical in all respects (including as to listing). A "**Series**" means a Tranche of Mortgage Pandbrieven together with any further Tranche or Tranches of Mortgage Pandbrieven which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing), save as to the issue date, the issue price, the first payment of interest and/or the Temporary ISIN Code and Temporary Common Code (if any and as defined in the applicable MP Final Terms). Once consolidated, the Mortgage Pandbrieven of each Series are intended to be interchangeable with all other Mortgage Pandbrieven of that Series. The specific terms of each Tranche will be set out in the applicable MP Final Terms.
Distribution	Mortgage Pandbrieven may be distributed by way of placement on a syndicated or non-syndicated basis and may be offered and subscribed by one or more MP Dealers, in each case in accordance with the Distribution Agreement relating to the Mortgage Pandbrieven Programme.
Selling Restrictions	United States, European Economic Area, United Kingdom, Belgium, the Netherlands, Switzerland and Japan. See Section entitled "*Subscription and Sale*".
Issue Price	Mortgage Pandbrieven may be issued at their principal amount or at a discount or premium to their principal amount.
Delivery of Mortgage Pandbrieven	Dematerialised Mortgage Pandbrieven will be credited to the accounts held with the Securities Settlement System by Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD or other Securities Settlement System participants or their participants. Registered Mortgage Pandbrieven will be registered in a register maintained by the Issuer or by the MP Registrar in accordance with Article 7:27 et seq. of the Belgian Code of Companies and Associations.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Mortgage Pandbrieven may be issued in any currency agreed between the Issuer and the relevant MP Dealer(s) or investor (as applicable).
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity with a minimum maturity of one month from the date of original issuance as indicated in the applicable MP Final Terms.

Redemption

The applicable MP Final Terms will indicate the scheduled maturity date of the Mortgage Pandbrieven (the "**Maturity Date**"). The relevant Mortgage Pandbrieven cannot be redeemed prior to their stated maturity, other than in certain specified events such as Redemption for Taxation Reasons and/or Redemption for Illegality. Furthermore, the applicable MP Final Terms may specify that the Mortgage Pandbrieven will be redeemable at the option of the MP Noteholders ("**Noteholder Put**") or at the option of the Issuer ("**Issuer Call**"), in each case upon giving notice to the Issuer or the MP Noteholders, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed in respect thereto.

Extendable Final Maturity Structures

(i) The obligation of the Issuer to pay the Final Redemption Amount of a Series of Mortgage Pandbrieven on the Maturity Date of such Series can be deferred upon the occurrence of one of the following events:

(A) the Issuer fails to redeem the Mortgage Pandbrieven of the relevant Series at their Final Redemption Amount in full within five Business Days after their Maturity Date ("failure to pay"). In such case (subject as provided below in paragraph (iii)), the obligation of the Issuer to redeem such Series shall be automatically deferred to, and shall be due on, the Extended Maturity Date; and

(B) the deferral, up to the Extended Maturity Date, may be decided upon by the Cover Pool Administrator in the event a liquidation procedure is initiated against the Issuer or the Issuer is resolved.

For this purposes, the "**Extended Maturity Date**"" shall be the date falling one year after the relevant Maturity Date.

(ii) The Issuer shall give notice of the extension of the Maturity Date to the Extended Maturity Date to the MP Noteholders of the relevant Series, the MP Noteholders' Representative, the relevant Rating Agencies, the MP Fiscal Agent and the MP Paying Agent and/or MP Registrar as soon as reasonably practicable, it being understood that a failure to notify shall not affect such extension of the Maturity Date. In accordance with Article 13/1, §2 of Annex III to the Banking Law, the Issuer will inform the Supervisory Authority of its action plan to ensure that the Final Redemption Amount due and remaining unpaid, will be paid by the new maturity date.

(iii) Notwithstanding paragraph (v) below, if and to the extent that on any subsequent Interest Payment Date (as defined in the applicable MP Final Terms) falling prior to the Extended Maturity Date (each an "**Extension Payment Date**"), the Issuer has available funds, then the Issuer shall (a) give notice thereof to the MP Noteholders of such Series, the MP Noteholders' Representative, the MP Fiscal Agent and the MP Paying Agent and/or MP Registrar as soon as reasonably practicable and in any event at least two Business Days prior to such Extension Payment Date and (b) apply such available funds to redeem the Mortgage Pandbrieven of such Series on such Extension Payment Date at their Final Redemption Amount;

(iv) Save as otherwise provided for in the applicable MP Final Terms, interest shall (a) accrue on the unpaid portion of such Final Redemption Amount from (and including) the Maturity Date to (but excluding) the Extension Payment Date or the Extended Maturity Date, (b) be payable in arrears on each Extension Payment Date (in respect of the Interest Period then ended)

or, if earlier, on the Extended Maturity Date and (c) accrue at the rate provided for in the applicable MP Final Terms;

(v) to the extent that the maturity date of any other Series of Mortgage Pandbrieven has been extended in accordance with the relevant terms and conditions thereof (the "**Extended Mortgage Pandbrieven**"), and the Maturity Date of a Series of Mortgage Pandbrieven falls prior to the extended maturity date of the Extended Mortgage Pandbrieven and on such date the Extended Mortgage Pandbrieven have not yet been redeemed in full , then the Maturity Date of such Series of Mortgage Pandbrieven shall also be extended on its Maturity Date to the Extended Maturity Date. Such extension does not in itself need to be triggered by paragraph (i) above, but is made in accordance with Article 13, §2 *in fine* of Annex III to the Banking Law in order to avoid that an extension of a particular Series of Mortgage Pandbrieven would alter the sequence of Maturity Dates among different Series of Mortgage Pandbrieven.

(vi) Subject to paragraph (v) above, an extension of one Series does not automatically imply the extension of other Series.

(vii) In the case the Mortgage Pandbrieven to which an Extended Maturity Date applies are Zero Coupon Mortgage Pandbrieven, the outstanding principal amount will for such purpose be the total amount otherwise payable by the Issuer but unpaid on the relevant Mortgage Pandbrieven on the Maturity Date.

(viii) In the circumstances described above, failure by the Issuer to redeem in full the relevant Mortgage Pandbrieven on the Maturity Date or on any subsequent Extension Payment Date (or the relevant later date in case of an applicable grace period) shall not constitute a Payment Default (as defined below). However, failure by the Issuer to redeem in full the relevant Mortgage Pandbrieven on the Extended Maturity Date shall be a failure to pay which may constitute a Payment Default.

(ix) Any payments which may be subject to an extension as described above shall not be deemed to constitute an unconditional payment for the purpose of Article 7, §1 of the Covered Bonds Royal Decree.

(x) If the maturity of any Mortgage Pandbrieven is extended up to the Extended Maturity Date as described above, for so long as any of those Mortgage Pandbrieven remains outstanding, the Issuer shall not issue any further Mortgage Pandbrieven, unless the proceeds of issuance of such further Mortgage Pandbrieven are applied by the Issuer on issuance in redeeming in whole or in part the relevant Mortgage Pandbrieven in accordance with the terms hereof.

Payment Default

Failure by the Issuer to pay (i) any principal amount in respect of any Mortgage Pandbrief on the Extended Maturity Date or on any date on which it is required to redeem the Mortgage Pandbrieven in accordance with MP Condition 3(j)(v) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*), or (ii) any interest in respect of any Mortgage Pandbrief within five (5) Business Days from the day on which such interest becomes due and payable, shall constitute a payment default ("**Payment Default**") if such failure remains unremedied for ten (10) Business Days after the MP Noteholders'

Representative has given written notice thereof to the Issuer by registered mail or per courier and with return receipt ("**Payment Notice**"). In case of failure by the MP Noteholders' Representative to deliver such Payment Notice, any MP Noteholder may deliver such notice to the Issuer (with a copy to the MP Noteholders' Representative). The date on which a Payment Default occurs shall be the date on which the MP Noteholders' Representative or any MP Noteholder has given notice of such Payment Default plus ten (10) Business Days (the "**Payment Default Date**").

Without prejudice to the powers granted to the MP Cover Pool Administrator, if a Payment Default occurs in relation to a particular Series, the MP Noteholders' Representative may, and shall if so requested in writing by the MP Noteholders of at least $66^{2/3}$ per cent. of the outstanding principal amount of the relevant Series of the Mortgage Pandbrieven then outstanding (excluding any Mortgage Pandbrieven which may be held by the Issuer), serve a notice on the Issuer ("**Acceleration Notice**") by registered mail or per courier and with return receipt that a Payment Default has occurred in relation to such Series, provided in each case it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Acceleration Notice will specify the date on which the Mortgage Pandbrieven become immediately due and payable (the "**Acceleration Date**"), which will be at least two (2) Business Days after the Payment Default Date.

Specified Denomination

Mortgage Pandbrieven will be in such denominations as may be specified in the applicable MP Final Terms (the "**Specified Denomination**"), save that (i) the minimum Specified Denomination of the Mortgage Pandbrieven will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and (ii) in the case of any Mortgage Pandbrieven which are to be admitted to trading on a regulated market within the EEA or the UK or offered to the public in a Relevant State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the Specified Denomination shall be EUR 100,000 (or the equivalent of at least EUR 100,000 in any other currency as at the date of issuance of the Mortgage Pandbrieven).

Interest Periods and Rates of Interest

The length of the Interest Periods for the Mortgage Pandbrieven and the applicable Rate of Interest or its method of calculation may differ from time to time or be constant for any Series. Mortgage Pandbrieven may have a Maximum Rate of Interest, a Minimum Rate of Interest or both. The use of Interest Accrual Periods permits the Mortgage Pandbrieven to bear interest at different rates in the same Interest Period. All such information will be set out in the applicable MP Final Terms.

Governing Law

The Mortgage Pandbrieven will be governed by, and construed in accordance with, Belgian law.

Type of Mortgage Pandbrieven

Fixed Rate Mortgage Pandbrieven

Fixed Rate Mortgage Pandbrieven will bear interest payable in arrears on the date or dates in each year specified in the applicable MP Final Terms.

Floating Rate Mortgage Pandbrieven

Floating Rate Mortgage Pandbrieven will bear interest payable in arrears and set separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap

transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in Section 8 (*Terms and Conditions of the Mortgage Pandbrieven*)), as published by the International Swaps and Derivatives Association, Inc.;

(ii) by reference to EURIBOR or any risk-free reference rate replacing it (or such other benchmark as may be specified in the applicable MP Final Terms) as adjusted for any applicable margin as specified in the applicable MP Final Terms; or

(iii) subject to a prospectus supplement (where applicable) on such other basis as may be agreed between the Issuer and the MP Dealer(s) or investor (as applicable).

Interest Periods will be specified in the applicable MP Final Terms.

Zero Coupon Mortgage Pandbrieven

Zero Coupon Mortgage Pandbrieven may be issued at their principal amount or at a discount to it and will not bear interest (except in the case of late payment or in case of extension of their Maturity Date, as set out in the MP Conditions).

Ratings

Each Series of Mortgage Pandbrieven issued under the MP Programme may be rated by Fitch Ratings Ireland Limited ("**Fitch**"), by Moody's France S.A.S. ("**Moody's**") by Standard and Poor's Global Ratings Europe Limited ("**S&P**") and/or rated by such other rating agency as shall be specified in the MP Final Terms (each a "**Rating Agency**", together the "**Rating Agencies**").

Each of the Rating Agencies is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (https://www.esma.europa.eu).

Where a Series of Mortgage Pandbrieven is to be rated, such rating will be specified in the applicable MP Final Terms and will not necessarily be the same as the ratings assigned to Mortgage Pandbrieven previously issued under the MP Programme.

Whether or not a rating in relation to any Series of Mortgage Pandbrieven will be treated as having been issued by a credit rating agency established in the European Union or the UK and registered under the CRA Regulation or the UK CRA Regulation will be disclosed in the applicable MP Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Tax Gross-up

All payments of principal and interest by or on behalf of the Issuer in respect of the Mortgage Pandbrieven shall be made without withholding or deduction for any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or other charges is required by law or regulation. In that event, or if a clearing system or any participant in a clearing system withholds or deducts for, or on account of, any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, the Issuer shall, subject to certain exceptions (including the ICMA Standard EU Tax Exception), pay such additional amounts as may be necessary so that the net amounts received by the MP Noteholders after

such withholding or deduction shall be not less than the respective amounts of principal and interest which would have been receivable in respect of the Mortgage Pandbrieven in the absence of such withholding or deduction, all as set out in MP Condition 5 (*Tax Gross-up*).

Listing and Admission to Trading

Where specified in the applicable MP Final Terms, application may be made for a Series of Mortgage Pandbrieven to be listed and admitted to trading on the regulated market of Euronext Brussels or such other stock exchange or market as shall be specified in the applicable MP Final Terms. Alternatively, the Series of Mortgage Pandbrieven may remain unlisted.

Use of Proceeds

The net proceeds from the issuance of Mortgage Pandbrieven will be used by the Issuer to fund its general corporate purposes. If, in respect of any particular issuance, there is a particular identified use of proceeds, this will be stated in the applicable MP Final Terms.

In particular, if so specified in the applicable MP Final Terms, the Issuer may indicate that an amount equivalent to the net proceeds from an issue of such Mortgage Pandbrieven will specifically be applied for projects and activities that promote climate and other environmental purposes – namely to finance and/or refinance over a certain period of time, in whole or in part, loans and investments realised by the Issuer to finance relevant projects and/or assets as defined under the Issuer's Green Bond Framework (as defined in the Section "*Use of Proceeds*").

The Issuer's Green Bond Framework is publicly available on the Issuer's website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-bonds). The Green Bond Framework does not form part of, and is not incorporated by reference into, this Base Prospectus.

Investors should have regard to the factors described under the Section "*Risk Factors*" in the Base Prospectus, in particular the risk factor entitled "*Specific risks relating to Pandbrieven issued as Green Bonds*".

Investor Report

In accordance with Article 15/1 of Annex III of the Banking Law and Article 12 of the Covered Bonds Royal Decree, the Issuer will publish an investor report (the "**Investor Report**") on a monthly basis, which will contain information regarding the Mortgage Pandbrieven and the MP Cover Assets in relation to the preceding month, including *inter alia*:

(a) value of the MP Special Estate and the Mortgage Pandbrieven;

(b) for each issuance, the ISIN of the Mortgage Pandbrieven, currency, outstanding amount, issue date, Maturity Date (or Extended Maturity Date, as the case may be), coupon characteristics and percentage;

(c) type of MP Cover Assets, geographical spread of security interests or, in case there are no security interest, of residence or seat of debtors;

(d) further details on the management of market risks, credit risks and liquidity risks;

(e) maturity matching between MP Cover Assets and Mortgage Pandbrieven;

(f) the result of the Statutory Tests, including amounts of elements taken into account for the tests;

(g) composition of the Liquidity Buffer and description of the assets that make up the Liquidity Buffer;

(h) composition and details of the MP Cover Assets (including on the basis of currencies, interest rate characteristic, loan seasoning and residual maturity, outstanding amounts, early repayment, arrears, loan-to-value, loan-to-mortgage, type of real estate,…);

(i) percentage of receivables in arrears for more than 30 days (but not in default in accordance with Article 178 CRR).

Such reports will be available to the prospective investors in the Mortgage Pandbrieven and to the holders of Mortgage Pandbrieven on the website of the Issuer at www.belfius.be. This website and the information contained thereon does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA. The Investor Reports are not incorporated in and do not form part of this Base Prospectus and they have not been and will not be scrutinised nor approved by the FSMA.

1.2. PUBLIC PANDBRIEVEN PROGRAMME OVERVIEW

Information relating to the Issuer

Issuer	Belfius Bank SA/NV (the "**Issuer**" or "**Belfius Bank**") is a limited liability company of unlimited duration incorporated under Belgian law, licensed as a Belgian credit institution and registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185. Its registered office is at 1210 Brussels, Place Charles Rogier 11, Belgium, telephone +32 22 22 11 11.
Issuer's legal entity identifier (LEI)	A5GWLFH3KM7YV2SFQL84
NBB Issuer license	The "**Supervisory Authority**" (i.e. the NBB) and any other supervisory authority to which relevant powers may be transferred) has admitted the Issuer to the list of credit institutions that are authorised to issue covered bonds on 6 November 2012.

Information relating to the Public Pandbrieven Programme

Description	The Belgian Public Pandbrieven Programme (the "**Public Pandbrieven Programme**" or "**PP Programme**") is a programme for the continuous offer of Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) (the "**Public Pandbrieven**") in accordance with the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms (the "**Banking Law**") and its executing royal decrees and regulations (the "**Belgian Covered Bonds Regulations**") on any issue date (each, an "**Issue Date**").
Public Pandbrieven Programme license	The Supervisory Authority has admitted the Public Pandbrieven Programme to the list of authorised programmes for the issuance of covered bonds under the category Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) on 10 June 2014. Upon so being notified by the Issuer, the Supervisory Authority shall regularly update such list with the Public Pandbrieven issued under the Public Pandbrieven Programme and shall indicate that the Public Pandbrieven constitute Belgian pandbrieven under the Belgian Covered Bonds Regulations.
Public Pandbrieven Programme Limit	EUR 10,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate outstanding principal amount of Public Pandbrieven at any time.

Belgian Public Pandbrieven	The Public Pandbrieven will be issued as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) in accordance with the Belgian Covered Bonds Regulations. The Public Pandbrieven respect all the criteria of the Belgian pandbrieven in the Belgian Covered Bonds Regulations and therefore qualify as "European covered bonds (premium)" (*Europese gedekte obligaties (premium)/obligation garantie européenne (de qualité supérieure)*) in accordance with the Belgian Covered Bonds Regulations. The National Bank of Belgium publishes a list of Belgian pandbrieven qualifying as European covered bonds (premium), including the Public Pandbrieven on its website (www.nbb.be). This website and the information contained thereon does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA. All Public Pandbrieven to be issued under the Public Pandbrieven Programme will be covered by the same special estate (*bijzonder vermogen/patrimoine spécial*) of the Issuer constituted pursuant to Article 3 of Annex III to the Banking Law in relation to the PP Programme and in which the PP Cover Assets (as defined below) are segregated (the "**PP Special Estate**"). The main asset class of the PP Special Estate will consist of Belfius Bank's public sector exposure which meets the criteria set out in Article 3, §1, 3° of the Royal Decree of 11 October 2012 on the issuance of Belgian covered bonds by Belgian credit institutions (the "**Covered Bond Royal Decree**"), i.e. receivables on or guaranteed by, (i) a central government or central bank of a member state of the Organisation for Economic Cooperation and Development ("**OECD**"), or by a regional or local government of those member states, (ii) a public entity of an OECD member state, or (iii) a multilateral development bank or international organisation that obtains a 0 per cent. risk weight in accordance with Articles 117 and 118 CRR (the "**Public Sector Exposure**", and together with any other assets registered as cover assets (*dekkingsactiva/actifs de couverture*), the "**PP Cover Assets**"). The Public Sector Exposure are primary assets (*primaire active/actifs principaux*) as defined in Article 1, 9° of Annex III to the Banking Law ("**Primary Assets**"). The Issuer shall procure that the value of the Public Sector Exposure calculated in accordance with the Belgian Covered Bonds Regulations (and including any collections in respect thereto) will at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Public Pandbrieven of all Series. The Issuer will maintain a cover register in which both the issued Public Pandbrieven and the PP Cover Assets are registered in accordance with Article 15, §1, 1° of Annex III to the Banking Law (the "**PP Cover Register**"). See Section 6.2.1 (*Summary description of the legal framework for Belgian covered bonds and Belgian pandbrieven - Composition of the special estate*) and PP Condition 11 (*Issuer Covenant*) for further information on the composition of the PP Special Estate.
Status and ranking of Public Pandbrieven	The Public Pandbrieven will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future. In addition and pursuant to the Belgian Covered Bonds Regulations, the PP Noteholders and any PP Other Creditors (as defined below) will in case a liquidation procedure is started against the Issuer or in case the Issuer is resolved benefit from a dual recourse consisting of (i) an exclusive right of recourse against the PP Special Estate and (ii)

	an unsecured, unsubordinated recourse against the general estate of the Issuer.
Over-Collateralisation and Cover Tests	At the time of the issuance and as long as any Public Pandbrieven remain outstanding, the Issuer must, in respect of the PP Special Estate, meet the following cover tests as provided for in the Belgian Covered Bonds Regulations. The value of the Primary Assets registered as Cover Assets in the PP Special Estate must represent at least 85 per cent. of the Series Principal Amount Outstanding of the Public Pandbrieven of all Series (the "**85 per cent. Asset Coverage Test**"). The value of the PP Cover Assets must provide an excess cover such that their value exceeds the Principal Amount Outstanding of the Public Pandbrieven. The value of the PP Cover Assets must represent at least 105 per cent. of the Series Principal Amount Outstanding of the Public Pandbrieven of all Series (the "**Over-Collateralisation Test**"). The value of the principal amount of the PP Cover Assets can only be taken into account for the purpose of the Over-Collateralisation Test if they are not otherwise taken into account to satisfy other obligations than the payment of principal on the Public Pandbrieven for the purpose of the Amortisation Test (as defined below). The sum of interest, principal and all other revenues generated by the PP Cover Assets composing PP Special Estate (including the Primary Assets and the other assets being part of the relevant PP Special Estate, i.e. "**Secondary Assets**") must, for the duration of the Public Pandbrieven, provide a sufficient cover (i) for the payment of principal and interest on the Public Pandbrieven, (ii) for the obligations towards the PP Noteholders and PP Other Creditors (as defined below) and (iii) for the maintenance and the management of the PP Special Estate, including the costs for the reduction of the PP Special Estate (the "**Amortisation Test**"). To determine the extent to which the principal amount of the PP Cover Assets is included in the calculation referred to above, the eligibility criteria set out in Article 3 of the Covered Bonds Royal Decree shall be taken into account in accordance with Article 5, §3, first indent of the Covered Bonds Royal Decree. The interest generated by the PP Cover Assets are calculated, and the costs for maintenance and management, are calculated and estimated in accordance with Article 5, §3, second and third indent of the Covered Bonds Royal Decree. The 85 per cent. Asset Coverage Test, the Over-Collateralisation Test and the Amortisation Test are hereinafter jointly referred to as the "**Cover Tests**". See also Section 6.2.3.2 (*Cover Tests*).
Valuation Methodology	The value of the PP Cover Assets are determined in accordance with the valuation methodology set out in Article 6 of the Covered Bonds Royal Decree. In all circumstances, the value of an asset for which there is a payment default within the meaning of Article 178 of CRR is zero. The value of an asset that is 30 days past due and less than 90 days past due will only be taken into account for 50 per cent. of the value. See also Section 6.2.3.3 (*Cover Asset Valuation Methodology*).
Liquidity Buffer	The Belgian Covered Bonds Regulations provide that the PP Special Estate must contain sufficient liquid and available PP Cover Assets to provide a liquidity buffer in order to enable the Issuer to cover the net liquidity outflows of the PP Programme at any time, as well as the maximum amount of the sum of the net liquidity outflows calculated over a six month period (the "**Liquidity Test**"). As an Extended Maturity Date applies to all Series of Public Pandbrieven, the principal amount of the Series of Public Pandbrieven taken into account for the purpose of the calculation of the

net liquidity outflow can be based on the maximum maturity as stipulated in the issue conditions.

The Cover Tests and the Liquidity Test are hereinafter jointly referred to as the "**Statutory Tests**".

Liquid assets that can be used for the purpose of the Liquidity Test are, in accordance with Article 7 of the Covered Bonds Royal Decree:

(a) PP Cover Assets satisfying the requirements of assets of level 1 in accordance with Commission Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions, that are valued in accordance with this Commission Delegated Regulation and which are not issued by the Issuer;

(b) Short term exposures and short term deposits as set out in Article 3 §1, 4°, a) of the Covered Bonds Royal Decree.

See also Section 6.2.3.5 (*Liquidity Test*).

Issuer Covenant

The Issuer will covenant in favour of the PP Noteholders and the PP Noteholders' Representative to for so long as the Public Pandbrieven are outstanding that it will ensure that:

(a) it will continuously comply with the obligations imposed on it under the Belgian Covered Bonds Regulations, including the Statutory Tests;

(b) the PP Special Estate will mainly consist of Public Sector Exposure;

(c) the PP Special Estate will not contain any commercial or residential mortgage loans;

(d) the value of the Public Sector Exposure registered as PP Cover Assets in the PP Cover Register (including any collections in respect thereto) (a) is calculated in accordance with the Belgian Covered Bonds Regulations and (b) will at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Public Pandbrieven of all Series (it being understood that any surplus above 105 per cent. may be composed of other eligible assets under the PP Programme);

(e) only fully drawn loans constituting Public Sector Exposure will be added to the PP Special Estate; and

(f) the PP Special Estate will at all times include cover assets which (i) are eligible as collateral for Eurosystem monetary policy purposes and intra-day credit operations by the Eurosystem (ii) have a credit quality step 1 as defined in the Capital Requirements Regulation; (iii) are subject to a daily mark-to-market and have a market value which, after applying the ECB haircut in accordance with the Guideline 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy (as amended, supplemented, replaced and/or restated from time to time), is higher than the amount of interest due and payable on the outstanding Public Pandbrieven within a period of six months, (iv) have a remaining maturity of more than one year, and (v) are not (A) debt issued by the Issuer, or (B) Public Sector Exposure which benefits from a netting arrangement (within the meaning of the financial collateral law of 15 December 2004 (*wet betreffende financiële zekerheden en*

houdende diverse fiscale bepalingen inzake zakelijke-zekerheidsovereenkomsten en leningen met betrekking tot financiële instrumenten / loi relative aux sûretés financières et portant des dispositions fiscales diverses en matière de conventions constitutives de sûreté réelle et de prêts portant sur des instruments financiers) (as amended from time to time, the "**Financial Collateral Law**")) which is part of a financial collateral arrangement;

Risk Management Policies

The issuing credit institution must establish risk management policies and perform a stress test on a quarterly basis in order to guarantee that the liquidity flows generated by the PP Cover Assets remain sufficient to satisfy the requirements of the Cover Tests and the Liquidity Test and/or, as the case may be, must possess other assets that can be used quickly as cover asset in order to provide relevant coverage.

The stress tests do at least need to take into account:

(a) sudden and unexpected interest rate or exchange rate movements;

(b) scenarios with different levels of percentages of early prepayment of cover assets; and

(c) scenarios with material deterioration of the credit quality of the cover assets.

See also Section 6.2.3.4 (*Risk Management*).

Cross-Acceleration

Upon service of an acceleration notice under any of the Series of Public Pandbrieven, all outstanding Public Pandbrieven issued under the Public Pandbrieven Programme will become immediately due and payable on the relevant acceleration date, together with any accrued interest, and they will rank *pari passu* among themselves. An acceleration notice under the Public Pandbrieven Programme will however not trigger an acceleration of the outstanding Mortgage Pandbrieven under the Mortgage Pandbrieven Programme (hence no cross-acceleration between the Programmes).

Post-Acceleration Priority of Payments

All monies (other than amounts standing to the credit of a swap collateral account which will be applied in accordance with the provisions of the relevant swap agreement) received or recovered by the PP Special Estate (whether in the administration or liquidation of the PP Special Estate or otherwise) following (i) the service of an acceleration notice or (ii) a liquidation of the PP Special Estate in accordance with Article 11, 6° or 7° of Annex III to the Banking Law, will be applied in the following order of priority (the "**Post-Acceleration Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made:

(a) *first*, in or towards satisfaction of all amounts due and payable, including any costs, charges, liabilities and expenses, to the PP Cover Pool Administrator (including any of its representatives and delegates);

(b) *second*, in or towards satisfaction of all amounts due and payable, including any costs, charges, liabilities and expenses, to the PP Noteholders' Representative;

(c) *third*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of any Expenses which are due and payable to the PP Operating Creditors;

(d) *fourth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of (i) any Pari Passu Swap Amounts and (ii) any payments of amounts due and payable to PP Noteholders *pro rata* and *pari passu* on each Series in accordance with the PP Conditions;

(e) *fifth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of any Junior Swap Amounts; and

(f) *sixth*, thereafter any remaining monies will be paid to the general estate of the Issuer.

For the purposes of this provision under this Section 1.2 in relation to the PP Programme, terms in capital letters have the following meaning:

"**Expenses**" means any costs, charges, liabilities, expenses or other amounts payable by the Issuer or by the PP Special Estate, as applicable, to any PP Operating Creditor plus any value added tax or any other tax or duty payable thereon.

"**Junior Swap Amount**" means any swap termination amount whereby the PP Derivative Contract Counterparty is the defaulting party or any such other amount, including any costs, charges, liabilities and expenses, due and payable to a PP Derivative Contract Counterparty (in accordance with the relevant swap agreement) and which under the relevant swap agreement are expressed to rank junior to interest and principal due to PP Noteholders and any other party ranking senior in accordance with the Post-Acceleration Priority of Payments.

"**Pari Passu Swap Amount**" means each amount, including any costs, charges, liabilities and expenses, due and payable to a PP Derivative Contract Counterparty and which under the relevant swap agreement are expressed to rank *pari passu* with interest or principal (as applicable) due to PP Noteholders.

"**PP Derivative Contract Counterparty**" means a derivative contract counterparty under a swap agreement entered into by the Issuer in relation to the PP Special Estate.

"**PP Operating Creditor**" means any of (1) the PP (Principal) Paying Agent, (2) the PP Fiscal Agent, (3) the PP Cover Pool Monitor, (4) the PP Registrar, (5) any servicer appointed to service the PP Cover Assets, (6) any account bank holding assets on behalf of the PP Special Estate, (7) any stock exchange on which the Public Pandbrieven are listed, (8) the Issuer's statutory auditor(s), legal counsel and tax advisers for services provided for the benefit of the PP Special Estate, (9) the Rating Agencies in relation to any Public Pandbrieven issued under the PP Programme, (10) any independent accountant or independent calculation agent for services provided for the benefit of the PP Special Estate, (11) any custodian in relation to the PP Programme, (12) any agent or party appointed in accordance with the PP Programme Documents or any other creditor of amounts due in connection with the management and administration of the PP Special Estate or (13) any other creditor which may have a claim against the PP Special Estate as a result of any services provided or contracts entered into in relation to the Public Pandbrieven or

	the PP Programme, as may from time to time be specified in the PP Conditions of any Public Pandbrieven issued under the PP Programme. "**PP Other Creditor**" means the PP Noteholders' Representative, any PP Operating Creditor, any PP Derivative Contract Counterparty and the PP Cover Pool Administrator.
Cross-Default	None (other than cross-acceleration between Series of Public Pandbrieven).
Negative Pledge	None.

Information relating to the parties involved in the PP Programme

PP Arranger	Belfius Bank SA/NV
PP Dealers	Barclays Bank Ireland PLC Belfius Bank SA/NV BNP Paribas Citigroup Global Markets Europe AG Commerzbank Aktiengesellschaft Credit Suisse Bank (Europe) S.A. Deutsche Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Landesbank Baden-Württemberg Natixis NatWest Markets N.V. Nomura Financial Products Europe GmbH Norddeutsche Landesbank - Girozentrale - Société Générale UniCredit Bank AG *The Issuer may from time to time terminate the appointment of any PP Dealer under the PP Programme or appoint additional PP Dealers either in respect of one or more Tranches or in respect of the whole PP Programme.*
PP Fiscal Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable PP Conditions or PP Final Terms.
PP Principal Paying Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable PP Conditions or PP Final Terms.
PP Paying Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable PP Conditions or PP Final Terms.
PP Registrar	Belfius Bank SA/NV, unless otherwise specified in the applicable PP Conditions or PP Final Terms.
PP Clearing Systems	The clearing system operated by the NBB-SSS or any successor thereto (the "**Securities Settlement System**") (or any other entity entitled by law to replace any such clearing system), Euroclear Bank SA/NV ("**Euroclear Bank**"), Clearstream Banking AG, Frankfurt ("**Clearstream Banking Frankfurt**"), SIX SIS Ltd, Switzerland ("**SIX SIS**"), Monte Titoli S.p.A., Italy ("**Euronext Securities Milan**"), Euroclear France SA, Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Euronext Securities Porto**"), LuxCSD S.A. ("**LuxCSD**") and/or such other clearing system as may be

agreed between the Issuer, the PP Fiscal Agent and (where applicable) the relevant PP Dealer(s)[2].

PP Noteholders' Representative Stichting Belfius Public Pandbrieven Noteholders' Representative, a foundation (*stichting*) incorporated under Dutch law on 1 July 2014. It has its registered office at Amsterdam. Its managing director is Amsterdamsch Trustee's Kantoor B.V.

PP Cover Pool Monitor EY Bedrijfsrevisoren BV / EY Réviseurs d'Entreprises SRL and its representative (as approved by the Supervisory Authority in accordance with the Belgian Covered Bonds Regulations). The PP Cover Pool Monitor will perform its duties in relation to the PP Programme in accordance with the Belgian Covered Bonds Regulations and the contractual arrangements that will be agreed upon between the PP Cover Pool Monitor and the Issuer.

PP Cover Pool Administrator The Belgian Covered Bonds Regulations provide that, in certain circumstances of distress, the Supervisory Authority may replace the management of the PP Special Estate by entrusting it to a cover pool administrator. Such circumstances are any of the following:

(a) upon the adoption of a measure or sanction as provided for under Article 8, §1, 1° of Annex III to the Banking Law against the issuing credit institution if, in the opinion of the Supervisory Authority, such measure or sanction and/or the reasons for it may prejudice the rights of the PP Noteholders and/or of any third parties who may have a claim on the PP Special Estate;

(b) upon the initiation of winding-up proceedings (*liquidatieprocedure/procédure de liquidation*) against the issuing credit institution;

(c) upon the withdrawal of the General Authorisation and/or Specific Authorisation(s); or

(d) in circumstances where the situation of the issuing credit institution is such that it may seriously affect (*ernstig in gevaar kan brengen/mettre gravement en péril*) the interest of the PP Noteholders.

*The parties listed above (other than any PP Cover Pool Administrator) are appointed to act in respect of the PP Programme pursuant to the PP Programme Documents as further described under Section 5 (Description of the Programmes) of this Base Prospectus (the "**PP Programme Documents**"). The relevant PP Programme Documents provide that other parties may be appointed from time to time and contain certain provisions in relation to the replacement of the above-mentioned parties.*

Information relating to the Public Pandbrieven issued under this Base Prospectus

Form of Public Pandbrieven Public Pandbrieven can be issued (i) in dematerialised form ("**Dematerialised Public Pandbrieven**") in accordance with Article 7:35 et seq. of the Belgian Code of Companies and Associations via a book-entry system maintained in the records of the NBB-SSS in its capacity as operator of the Securities Settlement System, or (ii) in registered form ("**Registered Public Pandbrieven**") in accordance with Article 7:27 et seq. of the Belgian Code of Companies and Associations. No

[2] The official list of participants as amended, supplemented and/or replaced from time to time can be consulted on the website of the NBB on http://www.nbb.be. The information contained on the website of the National Bank of Belgium (www.nbb.be) does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA.

	physical documents of title will be issued in respect of Dematerialised or Registered Public Pandbrieven.
Method of Issue	The Public Pandbrieven will be issued in series (each a "**Series**"). Each Series may comprise one or more Tranches issued on the same or different issue dates. A "**Tranche**" means, in relation to a Series, Public Pandbrieven which are identical in all respects (including as to listing). A "**Series**" means a Tranche of Public Pandbrieven together with any further Tranche or Tranches of Public Pandbrieven which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) save as to the issue date, the issue price, the first payment of interestand/or the Temporary ISIN Code and Temporary Common Code (if any and as defined in the applicable PP Final Terms). Once consolidated, the Public Pandbrieven of each Series are intended to be interchangeable with all other Public Pandbrieven of that Series. The specific terms of each Tranche will be set out in the applicable PP Final Terms.
Distribution	Public Pandbrieven may be distributed by way of placement on a syndicated or non-syndicated basis and may be offered and subscribed by one or more PP Dealers, in each case in accordance with the **Distribution Agreement** relating to the Public Pandbrieven Programme.
Selling Restrictions	United States, European Economic Area, United Kingdom, Belgium, the Netherlands, Switzerland and Japan. See section entitled "*Subscription and Sale*".
Issue Price	Public Pandbrieven may be issued at their principal amount or at a discount or premium to their principal amount.
Delivery of Public Pandbrieven	Dematerialised Public Pandbrieven will be credited to the accounts held with the Securities Settlement System by Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD or other Securities Settlement System participants or their participants. Registered Public Pandbrieven will be registered in a register maintained by the Issuer or by the PP Registrar in accordance with Article 7:27 et seq. of the Belgian Code of Companies and Associations.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Public Pandbrieven may be issued in any currency agreed between the Issuer and the relevant PP Dealer(s) or investor (as applicable).
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity with a minimum maturity of one month from the date of original issuance as indicated in the applicable PP Final Terms.
Redemption	The applicable PP Final Terms will indicate the scheduled maturity date of the Public Pandbrieven (the "**Maturity Date**"). The relevant Public Pandbrieven cannot be redeemed prior to their stated maturity, other than in certain specified events such as Redemption for Taxation Reasons and/or Redemption for Illegality. Furthermore, the applicable PP Final Terms may specify that the Public Pandbrieven will be redeemable at the option of the PP Noteholders ("**Noteholder Put**") or at the option of the Issuer ("**Issuer Call**"), in each case upon giving notice to the Issuer or the PP Noteholders , as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed in respect thereto.

Extendable Maturity Structures

(i) The obligation of the Issuer to pay the Final Redemption Amount of a Series of Public Pandbrieven on the Maturity Date of such Series can be deferred upon the occurrence of one of the following events:

(A) the Issuer fails to redeem the Public Pandbrieven of the relevant Series at their Final Redemption Amount in full within five Business Days after their Maturity Date ("failure to pay"). In such case (subject as provided below in paragraph (iii)), the obligation of the Issuer to redeem such Series shall be automatically deferred to, and shall be due on, the Extended Maturity Date; and

(B) the deferral, up to the Extended Maturity Date, may be decided upon by the Cover Pool Administrator in the event a liquidation procedure is initiated against the Issuer or the Issuer is resolved.

For this purposes, the "**Extended Maturity Date**"" shall be the date falling one year after the relevant Maturity Date.

(ii) The Issuer shall give notice of the extension of the Maturity Date to the Extended Maturity Date to the PP Noteholders of the relevant Series, the PP Noteholders' Representative, the relevant Rating Agencies, the PP Fiscal Agent and the PP Paying Agent and/or PP Registrar as soon as reasonably practicable, it being understood that a failure to notify shall not affect such extension of the Maturity Date. In accordance with Article 13/1, §2 of Annex III to the Banking Law, the Issuer will inform the Supervisory Authority of its action plan to ensure that the Final Redemption Amount due and remaining unpaid, will be paid by the new maturity date.

(iii) Notwithstanding paragraph (v) below, if and to the extent that on any subsequent Interest Payment Date (as defined in the applicable PP Final Terms) falling prior to the Extended Maturity Date (each an "**Extension Payment Date**"), the Issuer has available funds, then the Issuer shall (a) give notice thereof to the PP Noteholders of such Series, the PP Noteholders' Representative, the PP Fiscal Agent and the PP Paying Agent and/or PP Registrar as soon as reasonably practicable and in any event at least two Business Days prior to such Extension Payment Date and (b) apply such available funds to redeem the Public Pandbrieven of such Series on such Extension Payment Date at their Final Redemption Amount;

(iv) Save as otherwise provided for in the applicable PP Final Terms, interest shall (a) accrue on the unpaid portion of such Final Redemption Amount from (and including) the Maturity Date to (but excluding) the Extension Payment Date or the Extended Maturity Date , (b) be payable in arrears on each Extension Payment Date (in respect of the Interest Period then ended) or, if earlier, on the Extended Maturity Date and (c) accrue at the rate provided for in the applicable PP Final Terms;

(v) to the extent that the maturity date of any other Series of Public Pandbrieven has been extended in accordance with the relevant terms and conditions thereof (the "**Extended Public Pandbrieven**") and the Maturity Date of a Series of Public Pandbrieven falls prior to the extended maturity date of the Extended Public Pandbrieven and on such date the Extended Public Pandbrieven have not yet been redeemed in full, then the Maturity Date of such Series of Public Pandbrieven shall also be extended on its Maturity Date to the Extended Maturity Date. Such extension does not in itself need

to be triggered by paragraph (i) above, but is made in accordance with Article 13, §2 *in fine* of Annex III to the Banking Law in order to avoid that an extension of a particular Series of Public Pandbrieven would alter the sequence of Maturity Dates among different Series of Public Pandbrieven.]

(vi) Subject to paragraph (v) above, an extension of one Series does not automatically imply the extension of other Series.

(vii) In the case the Public Pandbrieven to which an Extended Maturity Date applies are Zero Coupon Public Pandbrieven, the outstanding principal amount will for such purpose be the total amount otherwise payable by the Issuer but unpaid on the relevant Public Pandbrieven on the Maturity Date.

(viii) In the circumstances described above, failure by the Issuer to redeem in full the relevant Public Pandbrieven on the Maturity Date or on any subsequent Extension Payment Date (or the relevant later date in case of an applicable grace period) shall not constitute a Payment Default (as defined below). However, failure by the Issuer to redeem in full the relevant Public Pandbrieven on the Extended Maturity shall be a failure to pay which may constitute a Payment Default.

(ix) Any payments which may be subject to an extension as described above shall not be deemed to constitute an unconditional payment for the purpose of Article 7, §1 of the Covered Bonds Royal Decree.

(x) If the maturity of any Public Pandbrieven is extended up to the Extended Maturity Date as described above, for so long as any of those Public Pandbrieven remains outstanding, the Issuer shall not issue any further Public Pandbrieven, unless the proceeds of issuance of such further Public Pandbrieven are applied by the Issuer on issuance in redeeming in whole or in part the relevant Public Pandbrieven in accordance with the terms hereof.

Payment Default

Failure by the Issuer to pay (i) any principal amount in respect of any Public Pandbrief on the Extended Maturity Date or on any date on which it is required to redeem the Public Pandbrieven in accordance with PP Condition 3(j)(v) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*), or (ii) any interest in respect of any Public Pandbrief within five (5) Business Days from the day on which such interest becomes due and payable, shall constitute a payment default ("**Payment Default**") if such failure remains unremedied for ten (10) Business Days after the PP Noteholders' Representative has given written notice thereof to the Issuer by registered mail or per courier and with return receipt ("**Payment Notice**"). In case of failure by the PP Noteholders' Representative to deliver such Payment Notice, any PP Noteholder may deliver such notice to the Issuer (with a copy to the PP Noteholders' Representative). The date on which a Payment Default occurs shall be the date on which the PP Noteholders' Representative or any PP Noteholder has given notice of such Payment Default plus ten (10) Business Days (the "**Payment Default Date**").

Without prejudice to the powers granted to the PP Cover Pool Administrator, if a Payment Default occurs in relation to a particular Series, the PP Noteholders' Representative may, and shall if so requested in writing by the PP Noteholders of at least $66^{2/3}$ per cent. of the outstanding principal amount of the relevant Series of the Public Pandbrieven then outstanding (excluding any Public Pandbrieven which

may be held by the Issuer), serve a notice on the Issuer ("**Acceleration Notice**") by registered mail or per courier and with return receipt that a Payment Default has occurred in relation to such Series, provided in each case it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Acceleration Notice will specify the date on which the Public Pandbrieven become immediately due and payable (the "**Acceleration Date**"), which will be at least two (2) Business Days after the Payment Default Date.

Specified Denomination

Public Pandbrieven will be in such denominations as may be specified in the applicable PP Final Terms (the "**Specified Denomination**"), save that (i) the minimum Specified Denomination of the Public Pandbrieven will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and (ii) in the case of any Public Pandbrieven which are to be admitted to trading on a regulated market within the EEA or the UK or offered to the public in a Relevant State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the Specified Denomination shall be EUR 100,000 (or the equivalent of at least EUR 100,000 in any other currency as at the date of issuance of the Public Pandbrieven).

Interest Periods and Rates of Interest

The length of the Interest Periods for the Public Pandbrieven and the applicable Rate of Interest or its method of calculation may differ from time to time or be constant for any Series. Public Pandbrieven may have a Maximum Rate of Interest, a Minimum Rate of Interest or both. The use of Interest Accrual Periods permits the Public Pandbrieven to bear interest at different rates in the same Interest Period. All such information will be set out in the applicable PP Final Terms.

Governing Law

The Public Pandbrieven will be governed by, and construed in accordance with, Belgian law.

Type of Public Pandbrieven

Fixed Rate Public Pandbrieven

Fixed Rate Public Pandbrieven will bear interest payable in arrears on the date or dates in each year specified in the applicable PP Final Terms.

Floating Rate Public Pandbrieven

Floating Rate Public Pandbrieven will bear interest payable in arrears and set separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in Section 8 (*Terms and Conditions of the Public Pandbrieven*)), as published by the International Swaps and Derivatives Association, Inc.;

(ii) by reference to EURIBOR or any risk-free reference rate replacing it (or such other benchmark as may be specified in the applicable PP Final Terms) as adjusted for any applicable margin as specified in the applicable PP Final Terms; or

(iii) subject to a prospectus supplement (where applicable) on such other basis as may be agreed between the Issuer and the PP Dealer(s) or investor (as applicable).

Interest Periods will be specified in the applicable PP Final Terms.

	Zero Coupon Public Pandbrieven Zero Coupon Public Pandbrieven may be issued at their principal amount or at a discount to it and will not bear interest (except in the case of late payment or in case of extension of their Maturity Date, as set out in the PP Conditions).
Ratings	Each Series of Public Pandbrieven issued under the PP Programme may be rated by Fitch Ratings Ireland Limited ("**Fitch**"), by Moody's France S.A.S. ("**Moody's**"), by Standard and Poor's Global Rating Europe Limited ("**S&P**") and/or rated by such other rating agency as shall be specified in the PP Final Terms (each a "**Rating Agency**", together the "**Rating Agencies**"). Each of the Rating Agencies is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (http://www.esma.europa.eu). Where a Series of Public Pandbrieven is to be rated, such rating will be specified in the applicable PP Final Terms and will not necessarily be the same as the ratings assigned to Public Pandbrieven previously issued under the PP Programme. Whether or not a rating in relation to any Series of Public Pandbrieven will be treated as having been issued by a credit rating agency established in the European Union or the UK and registered under the CRA Regulation or the UK CRA Regulation will be disclosed in the applicable PP Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Tax Gross-up	All payments of principal and interest by or on behalf of the Issuer in respect of the Public Pandbrieven shall be made without withholding or deduction for any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or other charges is required by law or regulation. In that event, or if a clearing system or any participant in a clearing system withholds or deducts for, or on account of, any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, the Issuer shall, subject to certain exceptions (including the ICMA Standard EU Tax Exception), pay such additional amounts as may be necessary so that the net amounts received by the PP Noteholders after such withholding or deduction shall be not less than the respective amounts of principal and interest which would have been receivable in respect of the Public Pandbrieven in the absence of such withholding or deduction, all as set out in PP Condition 5 (*Tax Gross-up*).
Listing and Admission to Trading	Where specified in the applicable PP Final Terms, application may be made for a Series of Public Pandbrieven to be listed and admitted to trading on the regulated market of Euronext Brussels or such other stock exchange or market as shall be specified in the applicable PP Final Terms. Alternatively, the Series of Public Pandbrieven may remain unlisted.
Use of Proceeds	The net proceeds from the issuance of Public Pandbrieven will be used by the Issuer to fund its general corporate purposes. If, in respect of any particular issuance, there

is a particular identified use of proceeds, this will be stated in the applicable PP Final Terms.

In particular, if so specified in the applicable PP Final Terms, the Issuer may indicate that an amount equivalent to the net proceeds from an issue of such Public Pandbrieven will specifically be applied for projects and activities that promote climate and other environmental purposes – namely to finance and/or refinance over a certain period of time, in whole or in part, loans and investments realised by the Issuer to finance relevant projects and/or assets as defined under the Issuer's Green Bond Framework (as defined in the Section "*Use of Proceeds*").

The Issuer's Green Bond Framework is publicly available on the Issuer's website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-bonds). The Green Bond Framework does not form part of, and is not incorporated by reference into, this Base Prospectus.

Investors should have regard to the factors described under the Section "*Risk Factors*" in the Base Prospectus, in particular the risk factor entitled "*Specific risks relating to Pandbrieven issued as Green Bonds*".

Investor Report

In accordance with Article 15/1 of Annex III of the Banking Law and Article 12 of the Covered Bonds Royal Decree, the Issuer will publish an investor report (the "**Investor Report**") on a monthly basis, which will contain information regarding the Public Pandbrieven and the PP Cover Assets in relation to the preceding month, including *inter alia*:

(j) value of the PP Special Estate and the Public Pandbrieven;

(k) for each issuance, the ISIN of the Public Pandbrieven, currency, outstanding amount, issue date, Maturity Date (or Extended Maturity Date, as the case may be), coupon characteristics and percentage;

(l) type of PP Cover Assets, geographical spread of security interests or, in case there are no security interest, of residence or seat of debtors;

(m) further details on the management of market risks, credit risks and liquidity risks;

(n) maturity matching between PP Cover Assets and Public Pandbrieven;

(o) the result of the Statutory Tests, including amounts of elements taken into account for the tests;

(p) composition of the Liquidity Buffer and description of the assets that make up the Liquidity Buffer;

(q) composition and details of the PP Cover Assets (including on the basis of currencies, interest rate characteristic, loan seasoning and residual maturity, outstanding amounts, early repayment, arrears,…);

(r) percentage of receivables in arrears for more than 30 days (but not in default in accordance with Article 178 CRR).

Such reports will be available to the prospective investors in the Public Pandbrieven and to the holders of Public Pandbrieven on the website of the Issuer at www.belfius.be. This website and the information contained thereon does not form part of this Base Prospectus and has not been scrutinised nor approved by the

FSMA. The Investor Reports are not incorporated in and do not form part of this Base Prospectus and they have not been and will not be scrutinised nor approved by the FSMA.

SECTION 2
RISK FACTORS

An investment in the Pandbrieven of each Programme involves a degree of risk. Prospective investors should carefully consider the risks set forth below and the other information contained in this Base Prospectus (including information incorporated by reference) before making any investment decision in respect of the Pandbrieven. The risks described below are risks which the Issuer believes may have a material adverse effect on the Issuer's financial condition and the results of its operations, the value of the Pandbrieven under each Programme or the Issuer's ability to fulfill its obligations under such Pandbrieven. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties, including those of which the Issuer is not currently aware or deems immaterial, may also potentially have an adverse effect on the Issuer's business, results of operations, financial condition or future prospects or may result in other events that could cause investors to lose all or part of their investment.

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Pandbrieven issued under each Programme are also described below. The Issuer has assessed the most material risks, taking into account the negative impact (including any relevant mitigation measures) of such risks on the Issuer and the probability of their occurrence ("**Global Criticality**"). Each risk factor relating to the Issuer also includes the Issuer's assessment of whether such Global Criticality can be assessed as high, medium or low.*

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Pandbrieven issued under each Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Pandbrieven issued under each Programme may occur for other reasons which are not known to the Issuer or which the Issuer deems immaterial at this time.

Prospective investors should also read the detailed information set out elsewhere in the Base Prospectus (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.

In case of doubt in respect of the risks associated with the Pandbrieven under each Programme and in order to assess their adequacy with their personal risk profile, investors should consult their own financial, legal, accounting and tax experts about the risks associated with an investment in such Pandbrieven, the appropriate tools to analyze that investment, and the suitability of that investment in each investor's particular circumstances. No investor should purchase the Pandbrieven described in the Base Prospectus unless that investor understands and has sufficient financial resources to bear the price, market, liquidity, structure, redemption and other risks associated with an investment in such Pandbrieven. The market value of the Pandbrieven issued under each Programme is expected to fluctuate over time, and investors should be prepared to assume the market risks associated with such Pandbrieven.

Capitalised terms used herein and not otherwise defined shall bear the meaning ascribed to them in the "Terms and Conditions of the Mortgage Pandbrieven"or in the "Terms and Conditions of the Public Pandbrieven", below, as the context may require. Any reference to any law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated or replaced from time to time.

Factors that may affect the Issuer's ability to fulfil its obligations under the Pandbrieven.

Risk factors have been grouped as set out below:

– Risks related to Belfius Bank (Section 2.1); and

– Risks related to the Pandbrieven (Section 2.2).

The risks associated with a particular Series under each Programme may change over time. Prospective investors should seek advice from a professional financial and/or legal adviser in order to understand the risks associated with a particular Series of Pandbrieven. More than one risk factor may have simultaneous effect with regard to the Pandbrieven such that the effect of a particular risk factor may not be predictable. In addition, more than one risk

factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any risk factor or combination of risk factors may have on the value of the Pandbrieven.

2.1 Risks linked to Belfius Bank

2.1.1 Risks related to the Financial Situation and Business Activity

2.1.1.1 COVID-19 and risk management (Global Criticality: High)

Since the start of the COVID-19 pandemic in 2020, major concerns grew with respect to its impact on macroeconomic situation that could lead to a substantial increase of the credit risk level in Belfius' loan portfolios. Along the crisis, Belfius kept supporting the Belgian society relying on actions taken internally together with measures taken at Belgian and European Central Bank ("**ECB**") levels.

These extraordinary policy measures included monetary measures, fiscal stimulus and ad-hoc regulatory packages to support credit markets and banks' lending to households and corporates. During 2020, the moratoria mechanism for companies and households was extensively used, but with the re-opening of most of the economy activities towards the end of 2020, extensions were far less requested in the first half of 2021. At the end of 2021, a more normalised level of payment deferral was again attained. Furthermore, at the start of 2022, the macroeconomic perspectives improved in view of a faster post-pandemic recovery. As discussed in the next section, this betterment process was slowed down as from February of the same year due to further developments in the Russia/Ukraine conflict. Nevertheless, in terms of sanitary situation, COVID-19 pandemic had been temporally contained, as shown by the positive evolution of the number of contaminations, hospital admissions, intensive care interventions over the last months. Nevertheless, vigilance for the occurrence of new COVID-19 variants, and a return to a certain level of protective measures in the future, is still taken into account.

The credit risk management ("**CRM**") team, in close cooperation with the business teams, set up several operational processes and mitigation actions to manage COVID-19 impacts, including granular portfolio screening process, credit reviews, credit lines' reduction, request for additional collaterals, refined guidance for analyst rating assignment and many other monitoring measures covering refined early warning systems, detailed transaction analyses, enhanced dashboardings. Also, the COVID-19 buffer conservatively taken in 2020 following the application of the granular provisioning logic was partially released in 2021 in light of the improved macroeconomic conditions, the decrease of credit risk observed following a detailed re-assessment of portfolios and the moderate allowance for defaulted loans. In this context, out of the 2021 COVID-19 buffer which amounted to EUR 331 million, releases took place in 2021 and in H1 2022 based on granular analyses at macroeconomic, portfolio, segment and forward-looking levels. On the remaining EUR 216 million of the buffer at 31 December 2021, a release of EUR 56 million took place at end of H1 2022 accounting for COVID-19 pandemic recovery and new economic evolutions and developments such as energy and inflation costs and the Russia/Ukraine conflict.

In order to manage its liquidity risk during this crisis, Belfius increased its participation to the targeted longer-term refinancing operations ("**TLTRO**") III in 2021. Belfius' total TLTRO III participation amounts to EUR 15.65 billion as of 30 June 2022 (stable compared to end 2021).

The coverage ratio amounted to 60.7% at end of H1 2022, compared to 60.4% end 2021 for a stable amount of impaired loans.

In terms of financial market risk, although the financial markets were quite volatile in H1 2022, but mainly driven by the war in Ukraine, rising interest rates, lower equity markets, higher spreads and inflation shocks, the P&L of Belfius financial market activities was very resilient.

The second rounds effect of COVID-19 crisis on the insurance have no material impact on the solvency ratio. As of 30 June 2022, the consolidated Solvency II ratio of Belfius Insurance SA/NV ("**Belfius Insurance**") ends up with a strong 215% after the foreseen dividend and within Belfius Insurance's risk appetite (>160%) thanks to the positive evolution of the interest rates and spreads. Furthermore and across recent other than COVID-19 pressures, such as July 2021 flood and the Russia/Ukraine, Belfius Insurance continues to demonstrate its resilience, but remains vigilant as the economic and financial environment has changed considerably over the first part of the year 2022.

Financial stability conditions in the euro area have worsened as the Russian invasion of Ukraine leads to higher energy and commodity prices and increases risks to euro area inflation and growth, the May 2022 Financial Stability Review published recently by the European Central Bank (ECB) concludes. They also conclude that vulnerabilities may increase due to the uncertain path of the Russia-Ukraine war and other potential global developments, such as a broader resurgence of the coronavirus (COVID-19) pandemic, weaknesses in key emerging market economies or a sharper slowdown in Chinese economic activity, could also affect risks to growth and inflation. Inflation is likely to remain a global concern for some time. Some refinements on models and assumptions on the liability side has been implemented to take into account this risk. A continuous monitoring is in place.

Given the uncertainty surrounding the further evolution of the COVID-19 crisis, it is impossible at any given time to make a reliable estimate of what the consequences will be for the global economy and, more specifically, for Belfius. The risks linked to the COVID-19 crisis can still have an influence on the risks described hereafter, accounting for potential second round effects (e.g. effects on consumer demand, disruptions of trade flows and production chains require close monitoring, emergence of new variants in H2 2022).

The risks linked to the COVID-19 outbreak **(Global criticality: High)** can have an influence on the risks described hereafter.

2.1.1.2 Conflict between Russia and Ukraine (Global Criticality: High)

Geopolitical risks rose significantly with the Russia-Ukraine conflict that started at the end of February 2022. Belfius is closely monitoring the situation and its direct and indirect impacts. Ten years ago, Belfius made a commitment to "never again" conduct business that it is not in line with its strategy, being meaningful and inspiring for the Belgian society. Belfius therefore strongly refocused its activities on the Belgian market. The result thereof is an immaterial impact of the conflict in terms of exposures on Russian, Ukrainian or Belarusian counterparts. Belfius' direct exposure (Russian, Ukrainian and Belarusian counterparties) is below EUR 1 million.

The indirect impacts related to the Russia/Ukraine crisis also remain so far rather limited for the Enterprises and Entrepreneurs segment. The vulnerability of Enterprises and Entrepreneurs towards indirect effects like rising costs for raw materials, salaries and energy and the commodity scarcity will remain an area of attention in the upcoming months. Soaring inflation remains also an attention and monitoring point for the Individuals segment where the assessments of the Belfius loan portfolios did not yet reveal material critical risk observations so far.

Also, in terms of liquidity and solvency, no impacts are to be noted as liquidity remains ample and the solvency ratios remain solid. Nevertheless, close monitoring process and challenges as part of the financial planning and stress testing for instance are continuously ongoing.

In the context of this conflict in Ukraine, among other assessments at non-financial risk level, specific business continuity planning (BCP) scenarios have been worked out (power outage, human & information, security, etc.) for which Belfius' maturity is considered as adequate. In the same context and facing an increased activity through cyber-attacks, information security has been strengthened with additional measures. The situation is actively managed and under control.

2.1.1.3 Credit Risk (Global Criticality: High)

Credit risks are inherent to a wide range of Belfius Bank's businesses. These include risks arising from changes in the credit quality of counterparties, as well as the inability to recover amounts due from counterparties. This means that Belfius Bank is exposed to the risk that third parties (such as retail individuals, SMEs, corporates, trading counterparties, counterparties under credit default swaps, interest rate swaps and other derivative contracts, borrowers, issuers of securities which Belfius Bank holds, customers, clearing agents and clearing houses, exchanges, guarantors, (re)insurers and other financial intermediaries) owing Belfius Bank money, securities or other assets do not pay, deliver or perform under their obligations. Bankruptcy, lack of liquidity, downturns in the economy, real estate collateral value drops, operational failures or other factors may cause them to default on their obligations towards Belfius Bank.

In order to cover the unexpected credit losses, Belfius Bank applies the Advanced Internal Rating-Based ("**A-IRB**") approach to derive its minimum own funds requirement. The A-IRB approach consists of using three distinct internal models developed and maintained within Belfius Bank following the prescribed regulation (Regulation (EU) No 575/2013 and other EBA regulatory technical standards) by asset class: a Probability of Default ("**PD**"), a Loss-Given default ("**LGD**") and a Credit Conversion Factor ("**CCF**")3.

Belfius Bank's solvency is resilient. At the end of June 2022, regulatory risk exposure of Belfius amounted to EUR 63,160 million, a decrease with - EUR 1,935 million compared to EUR 65,095 million at the end of 2021:

- The credit RWA decreased by - EUR 1,607 million to EUR 48,391 million. The strong commercial growth in Franchise activities (and particularly in the Corporate segment) has been more than offset by the release of the Belgian macro-prudential add-on on mortgages (which is replaced by a sectoral systemic risk buffer in capital requirements) and a strong decrease on Group Center RWA resulting from a positive market risk parameters evolution and management actions leading to further de-risking of run-off positions;
- The RWA for the Danish Compromise decreased by - EUR 983 million to EUR 8,640 million mainly due to the negative OCI evolution of Belfius Insurance;
- The CVA RWA decreased by - EUR 281 million due to increasing interest rates that have reduced some significant long term uncollateralized derivatives exposures;
- The Market risk RWA increased with + EUR 936 million due to the impact on the internal model of the volatile and rapidly rising interest rates.

In order to cover the expected credit losses ("**ECL**"), Belfius Bank applies a provisioning methodology relying on IFRS 9. A set of PD, LGD and CCF models are also used to estimate the provisions to estimate the one-year and the Lifetime Expected Credit Losses for all facilities. Unlike the one performed for capital estimates, the provisions are expressed as Point-In-Time estimates (PIT).

The pro-active management of the ECL relies on the cost of risk ("**CoR**") metric. The CoR approach follows a waterfall principle in Belfius. The provisions for stage 1 & 2 are calculated in a mechanical mode, based on a view on the macroeconomic conditions and perspectives (pillar 1). If Belfius Bank considers that certain risk pockets, defined in terms of sectors or groups of companies, are not sufficiently covered by the mechanical provisions, certain expert overlays are added (pillar 2). If, additionally, the assessment of certain individual counterparties indicates that they present a significantly increased credit risk, but are not yet in default, the constituted provisions could be insufficient. For these cases, an individual management adjustment on the expected credit loss in stage 2 is added (pillar 3). For counterparts in default status (stage 3), the standard impairment process is run and specific provisions are calculated and booked (pillar 4).

In 2020, the application of the above-mentioned provisioning logic resulted in a CoR of EUR 453 million, of which a COVID-19 driven overlay of EUR 331 million was the most significant contributor, to cover for potential credit risk impacts, especially in the business and corporate segments. In 2021, the CoR had a positive impact on the results of Belfius in an amount of EUR 1 million. The main drivers were the release of the COVID-19 buffer for an amount of EUR 115 million (mainly reflecting improving macroeconomic conditions (+EUR 68 million) and a re-assessment of the potential COVID-19 effects on the loan portfolio (+ EUR 47 million)) and a still moderate allowance for defaulted loans of EUR 77 million.

Since the end of 2021 several changes occurred in the world, having an impact on society, on the global economy and on the geopolitical stability. The sanitary situation of the COVID-19 pandemic came gradually under control, lifting most of the societal and economic restrictions at international level. The Russia/Ukraine conflict and the

[3] The CCF factor accounts for the expected evolution of the off-balance part of the exposure and is used to model the Exposure At Default.

second-round effects of the COVID-19 crisis had an accelerating impact, leading to supply chain disruptions and widespread inflationary effects, in particular on energy prices.

The uncertainty about the orientation and the rhythm of the economic recovery was reflected in the CoR for the first half year. The macroeconomic factors were adjusted to the evolving risk environment and the overlay for vulnerable exposures was transformed in line with the underlying risk trends:

- The exposures on customers that do not show a further increased credit risk are removed from the overlay;
- The exposures that still represent a residual impact linked to the COVID-19 pandemic and that are additionally hit by the new-crisis effects are conserved in the overlay;
- The exposures that show a potential vulnerability to the new-crisis effects, are added in the overlay.

Overall, this results in a positive CoR at the end of June 2022:

- Pillar 1: update of the macroeconomic factors results in a CoR contribution of - EUR 7 million;
- Pillar 2 and 3: the reassessment of the more vulnerable risk pockets in the loan portfolio leads to a net provision release of + EUR 63 million;
- Pillar 4: contains impairments for counterparts in default (stage 3) and represents CoR of - EUR 30 million, which remains at a normal, even rather low level.

Combined with the normal portfolio evolutions (growth of the loan book and rating changes, evolutions in the bond portfolios) for an amount of - EUR 13 million, the approach leads to a positive consolidated CoR of + EUR 13 million in the first half year of 2022.

The assessment of the overlay for vulnerable exposures was based on a thorough credit review and portfolio screening integrating the emerging risks related to energy and inflation and to the Russia/Ukraine conflict. The impact of the geopolitical tensions and of the spiking inflation on the loan portfolios (both Individuals and Enterprises & Entrepreneurs) was assessed through an analysis of transactional and financial client data, combined with the monitoring of specific early warning indicators (energy and labour cost to income, evolution of net available income) and with more traditional early warnings (such as rating evolutions, the use of credit lines, repayment arrears, …). These analyses, performed in a top-down and bottom-up approach, have not yet revealed critical risk observations in the Belfius portfolio so far: the portfolio continues to show a strong resilience with only very few signs of deteriorating credit quality, limited inflow of defaults and bankruptcies and stable credit ratings.

These assessments are combined with a strengthened and continuous risk-based monitoring of its Enterprises & Entrepreneurs portfolio on clients for which early warning risk indicators ‘lighten-up’.

In order to assure an adequate portfolio guidance and monitoring, several business lines need to comply with portfolio guidelines whose aim is to limit specific sector risks and/or sector risk concentrations. These guidelines impose an upper limit for certain sector risks, regardless of the individual credit quality and limits on counterparty and/or risk group level and are monitored quarterly by Risk Management and reported to the Management Bodies.

This portfolio guidance is part of the Risk Appetite Framework, that is subject to a yearly assessment. Within the Risk Appetite Framework 2022, new credit risk indicators were introduced and others refined, in order to safeguard the current sound credit quality and portfolio diversification. An indicator on leveraged transactions was added to the framework, the tolerance level for lower rated transactions was reduced and additional limits on risk concentrations in commercial real estate were applied.

While risk across borrower classes currently remains relatively low, certain categories of loans are subject to higher scrutiny. In particular, the National Bank of Belgium (the "**NBB**") has expressed concern with regard to the lending standards of mortgage loans on the buy-to-let and ‘younger first-time buyers’ segments for which close monitoring is performed. All in all, the Belgian residential real estate market (outstanding exposure on mortgage loans as at end

of June 2022 stood at a FEAD[4] of EUR 41 billion), represented around 29% of the outstanding loans (expressed in FEAD) to customers within Belfius Bank. Belfius put in place the necessary steps to meet the regulatory expectations.

Traditionally, Belfius assures a key role in the financing of institutions in the Belgian public and social sector (including hospitals, schools, universities and retirement homes). Overall, the public and social sector loans portfolio has always shown high credit standards (average PD at the end of June 2022 of 0.13%) and continues to maintain its very low risk profile, although local authorities remain faced with long term challenges, such as the expected growth of the pension costs related to their statutory staff, the demographic evolution, social cohesion and the impact of the tax shift.

For the Public and Social Banking clients, the capacity to absorb the inflationary and increased energy cost has been assessed through a macroeconomic approach for the different segments in which Belfius is active: hospitals, rest homes, education, intermunicipal companies, etc. Most of these entities have indexation mechanisms in place on a substantial part of their income. Although an important timing gap between the price increase (if applicable) and the adjustment - through indexation - can exist. The challenges for local authorities have increased under COVID-19 and the present inflation figures weighting on wage costs and energy expenditures. The financial situation of the Regions deteriorated in recent years. Increasing inflation and interest rates, slowing down of economic growth, could further put pressure on deficit levels and public debt, elements which are closely further monitored.

Finally, since 2011, Belfius Bank has been engaged in a tactical de-risking of the ex-legacy portfolios. As from 1 January 2017, the remainder of this ex-legacy portfolios has been integrated in Group Center and the remaining securities are being managed in natural run-off. An important component of the ex-legacy portfolio (total notional of Belfius Bank's ex-legacy portfolio as at 30 June 2022 stood at EUR 14 billion) is the large outstanding stock of derivatives (total notional of Belfius Bank's ex-legacy derivatives portfolio as per 30 June 2022 stood at EUR 10.7 billion) and bonds composed of long-term inflation linked bonds issued by highly regulated UK utilities and infrastructure companies (total notional as per 30 June 2022 stood at EUR 1.4 billion). These bonds are of satisfactory credit quality. Nevertheless, in the unlikely event of a default, the loss could be substantial but within the boundaries of the Belfius RAF. The inflation linked nature of these bonds makes them furthermore sensitive to UK real rates[5]. Together with the outstanding stock of derivatives, they could have an important additional capital charge in terms of Risk Weighted Assets ("**RWA**") as well as an increased need for collateral posting from Belfius Bank which could put Belfius Bank's overall liquidity under pressure in case of a liquidity crisis in the financial markets. The ex-legacy portfolio is constantly followed-up in terms of risks which may be hedged. The possibility to exit the transactions anticipatively (e.g. through unwind, sale and novation) is regularly reassessed.

With respect to the floods that occurred in Belgium in July 2021, Belfius considers that it took pro-active necessary actions. A joint workgroup between the businesses and the risk department, which also involved impacted subsidiaries such as Crefius and Belfius Insurance, has been set up, allowing for a close monitoring of the mortgage portfolios involving Crefius and Belfius Insurance. Out of these assessments, the impact in terms of credit risk appears to be limited, both in terms of credit exposure and in terms of number of affected clients.

2.1.1.4 Profitability (Global Criticality: High)

Belfius Bank's strategy is based on the development of a strong commercial franchise that is to be supported by solid risk and financial profile foundations, a strategy even more relevant since the COVID-19 crisis. This translates into growing commercial activities, further growing their footprints in a through-the-cycle profitable way and investments in future business model developments, based on solid solvency foundations. Resilience is proven in H1 2022 with a return on equity (RoE)[6] at group level amounting to 9.2% (compared to 9.3% one year before).

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[4] Full Exposure At Default.

[5] The real interest rate is the rate of interest an investor, saver or lender receives (or expects to receive) after allowing for inflation. As such the "UK real rates" can be seen as the difference between the nominal Interest Rates levels in GBP (*i.e.*, swap rates) versus the expected Inflation Rates in UK RPI (*i.e.*, inflation swap rates).

[6] RoE calculation method: sum of the net result of the last 4 quarters divided by the 4 quarter rolling average of the shareholders equity.

Changes in the profitability and changes in the expectations about the future profitability can influence the secondary market value of Belfius Bank's liabilities. Though Belfius Bank's management and the regulatory authorities via the Supervisory Review and Evaluation Process ("**SREP**") always strive for a sound and profitable business model, profitability can never be guaranteed as it depends to some extent on external market factors.

After two years of COVID-19 crisis, the war in Ukraine has marked a new era of uncertainties and probably a new normal. While inflation and interest rate were expected to rise smoothly at the start of this year, the unexpected escalation of the conflict triggered a sharp increase of inflation and interest rates exacerbated by a recent lockdown in key sectors and areas in China amplifying supply disruptions. The current crisis is a new test to the resilience of the financial system. So far, Belfius' resilience has been quite good confirming the well-founded and sound risk profile. The medium-term impact, including the impact of the inflation/supply shortage, together with uncertainties with regards to the interest rate evolution and the effects on net interest income are managed in order to safeguard the sound risk profile. Important decisions have been taken early 2022 with the progressive turnaround in the IRRBB[7] management to protect net interest income to a maximum extent.

Besides the general economic and competitive climate, monetary policy is among the most important factors determining bank profitability. By influencing the level of the interest rates and the shape of the interest rate curve, the ECB impacts in an important way the Net Interest Rate Margin ("**NIM**") of commercial banks, like Belfius Bank. This NIM contains the bank's revenues from its normal lending and borrowing activity and for Belfius Bank it constitutes a non-negligible part of the overall income.

By making interest rates negative and by massively buying government bonds, the ECB exerted in 2021 a negative pressure (with yield curve up to 10 years negative for most of the year) on Belfius' NIM. Moreover, the interest rates that Belfius Bank had to pay on its regulated deposits cannot go negative, accounting for the 0.11% floor. This constituted a cost for Belfius Bank, as retail deposits are an important source of funding. In this context, the net interest income has been further subject to downwards pressures. However, sound management of interest rate risks to protect the net income against low interest rate, a solid diversified growth in the loan book and additional measures taken by the monetary policy authority (TLTRO) have significantly mitigated these risks. The downward pressure of the ECB on interest rates decreased at the beginning of 2022 with the announcement that the quantitative easing would be phased out and that the key ECB interest rates would be increased. Combined with historically high inflation figures, this led to a drastic increase of long term interest rates with a steep curve as a result.

In July 2022, the ECB increased the deposit facility rate with 50 bp, causing an increase of short term interest rates and a flatter curve as a result. In the first half of 2022, Belfius Bank analysed through scenario analysis the potential impact of further rate changes. This led to a hedge strategy with a focus on protecting NII in case rates increase further. The higher interest rates, the hedging policy and a commercial strategy that manages potential balance sheet shifts in light of higher interest rates, resulted in an increased expected NII and a more balanced earnings at risk profile. Hence, the interest rates upwards evolution has provided Belfius' NII with upside potential as the loan book is already gradually rolled over at higher rates, the burden of negative rates on the liquidity buffer is disappearing while tariff on saving accounts are expected to remain low for some time. Nevertheless, should rates increase further, this dynamic of re-pricing between assets and liabilities will be closely monitored and challenged from and asset & liability management point of view as the "conventional/model based" repricing of non-maturing deposits is anticipated to be slightly larger than the repricing of the loan book.

2.1.1.5 Market Risk (Global Criticality: High)

Market Risks are inherent to a range of Belfius Bank's businesses. Aside from the interest rate risk which is specified under Section 2.1.1.4, Belfius Bank is particularly sensitive to P&L volatility stemming from value adjustments (xVA's) and credit derivatives. Those are mostly related to the ex-legacy portfolio described above.

[7] Interest rate risk in the banking book.

Moreover, the hedging of structured retail products with illiquid equity indices as underlying has structurally increased the equity risk. Growing derivative single stock activity might also bring additional equity risk. The below table provides an overview of the Value-at-Risk ("**VAR**")[8] by activity as at 31 December 2021 and 30 June 2022:

Value-at-risk by activity

VaR (99%, 10 days) (1)	31/12/2021				30/06/2022			
(in millions of EUR)	IR (2) & FX (3)	Equity	Spread	Other risks (4)	IR (2) & FX (3)	Equity	Spread	Other risks (4)
By activity								
Average	5.4	4.7	0.6	0.3	7.6	4.4	0.8	0.4
End of Year	3.9	2.6	0.2	0.5	5.9	6.9	0.9	0.5
Maximum	14.4	9.7	1.5	0.6	14.5	12.0	1.6	0.5
Minimum	2.4	2.4	0.1	0.3	4.4	2.2	0.2	0.4

(1) The Value-at-Risk (VAR): is a measure of the potential change in market value with a probability of 99% and over a period of 10 days.
(2) IR: interest rate risk and inflation risk.
(3) FX: forex risk.
(4) CO2 risk.

More elaborately, market risk within Belfius Bank is focused on all Financial Markets activities of the bank and encompasses, as mentioned above, interest rate risk, spread risk and associated credit risk/liquidity risk, foreign-exchange risk, equity risk (or price risk), inflation risk and commodity price risk. To mitigate the market risk impact, important management actions have been taken, such as additional hedges and reduction of open positions. This has, amongst others, led to reduced credit spread sensitivities.

The market risk teams reacted promptly to the COVID-19 crisis by developing new detection and monitoring tools and by taking actions to protect the P&L and solvency. The COVID-19 crisis was particularly hard for market risk management (counterparty credit spreads (translated into Fair Value through P&L via Credit Value Adjustment (CVA[9])) and generated huge equity drops, equity volatility, interest rate and FX swings). Starting the first week of the COVID-19 crisis, actions were taken to further reduce the credit spread sensitivity. The other remaining risk sensitivities, although well within internal limits at the beginning of the crisis, were reduced to a maximum extent. Permanent monitoring between risk management and front office was put in place including intraday estimates of risks and results as well as a daily reporting to the Management Board. The actions taken throughout the year 2020 led to the implementation of new limits to align with the Management Board's risk appetite, significant improvement of sensitivity analysis (including cross-effects) and proposal for new hedges. These measures appeared very effective following market turmoil resulting from the Russian invasion in Ukraine, limiting the impact on Belfius' portfolio.

At the end of June 2022, the CVA RWA10 stood at EUR 398 million, a decrease by EUR 281 million compared to the end of 2021 when it stood at EUR 679 million thanks to active management of counterparty credit risk and mainly driven by the significant increase of the interest rates over the first half of 2022 reducing the fair value exposure of significant uncollateralised derivatives. At end of June 2022, the market RWA11 amounted to EUR 2.30 billion of which EUR 1.85 billion calculated in the Internal Model and EUR 0.45 billion following the Standardized Approach.

2.1.1.6 Operational – Non-Financial Risks & Compliance (Global Criticality: High)

Non-Financial Risk (NFR) must be understood as a broad umbrella covering all risks except "financial risks" (the latter encompassing market, ALM, liquidity, credit, and insurance risks). NFR covers among others operational risks

[8] The VaR concept is used as the principal metric for proper management of the market risk Belfius is facing. The VaR measures the maximum loss in net present value Belfius might be facing in normal and/or historical market conditions over a period of ten days with a confidence interval of 99%.

[9] CVA is an adjustment to the fair value (or price) of derivative instruments to account for counterparty credit risk (CCR). Thus, CVA is commonly viewed as the price of CCR. This price depends on counterparty credit spreads as well as on the market risk factors that drive derivatives' values and, therefore, exposure.

[10] Risk-weighted assets (RWA) are used to determine the minimum amount of capital that must be held by a bank to cover different types of risks. CVA RWA relates to the capital requirements to cover for the impact on CVA of adverse movements in financial market risk factors. CVA is the amount subtracted from the mark-to-market value of derivative positions to account for the expected loss due to counterparty default.

[11] Risk-weighted assets (RWA) are used to determine the minimum amount of capital that must be held by a bank to cover different types of risks. Market Risk RWA relates to the capital requirements to cover for the impact on mark-to-market value of the trading book of adverse movements in financial market risk factors (such as interest rate, foreign-exchange and equity).

(including fraud, HR, IT, IT-security, business continuity, outsourcing, data-related, privacy …) as well as reputational, compliance, legal, tax, ESG, ... risks.

The NFR management framework determines the principles that ensure an effective management of the non financial risks. The principles are further elaborated in specific policies and guidelines adapted to the business activities. These general principles are following the applicable legal and regulatory requirements.

The framework is based on the following pillars:

- a risk mapping and taxonomy in order to ensure consistency within the organization, including a regular review of this mapping and taxonomy to identify emerging risks;
- clear roles and responsibilities, as well as a well-defined way of working together for all the risks based on the three LoD (3 LoD) model (decentralized responsibility);
- a strong governance/committee structure involving the appropriate level of management;
- a Risk Appetite Framework (RAF) definition and monitoring; and
- transversal risk processes and dedicated risk management frameworks, which are structured into the following main domains: Change Risk Management, Integrated Risk Management, Risk Culture & Governance, Operational, Resilience, Information Security and Data Privacy.

Focusing on specific domains:

- **Information security management**: for Belfius, the purpose of information security is to protect Belfius' information having a value for the organization: i.e. the information generated by the business, the information belonging to our clients, and also the information, derived from freely accessible or publicly available data, which has acquired a value as a result of the treatment carried out by or on behalf of Belfius. The threats against data and information are their loss of integrity; of confidentiality; and their unplanned unavailability. The mission of information security is to safeguard against these threats.

  Belfius also considers that the objective regarding information security extends to managing the risks linked to the consequences of these threats if they have materialized in terms of customers' trust, finance, reputation, peer confidence (regulators, financial markets) and confidence of our business partners. An information security strategy derived from these principles is applicable to all actions pertaining to information security.

  In order to guarantee the information security within Belfius, the Information Security Steering (ISS) Committee, managed by the Chief Information Security Officer (CISO) and chaired by the Chief Risk Officer, ensures a well governed and coordinated information security strategy whereby an adequate system of "prevention", "detection", "protection" and "reaction" is put in place, in line with regulatory requirements for information security. The steering of Belfius information security is relying on a combination of qualitative statements, tangible figures, and quantitative statements: deviations from the risk appetite are challenged to mitigate the risks to an acceptable level. Large security projects are grouped together in a security roadmap which typically spans the course of two years. Of course, the ever-evolving security threat landscape requires the organization to be resilient and anticipate existing and future threats.

- **Incident management**: the systematic collection and control of data on operational incidents is one of the main requirements of the Basel Committee regarding operational risk management.

  The reporting mechanisms ensure that the responsible parties are notified quickly when incidents occur. Major incidents are investigated thoroughly and are reported to the CRO/Management Board. Such incidents are also subject to specific action plans and appropriate follow-up, under the responsibility of the concerned line management, for avoidance, mitigation, or limitation of the related risk.

The main areas of operational losses remain essentially due to incidents associated with external fraud and incidents in relation to execution, delivery, and process management. Other categories remain limited in amount but not necessarily in number of events. The most important part of the financial impact resulting from operational incidents comes from the Bank's retail business.

- **Data privacy management**: The respect for privacy and the protection of personal data is a key commitment at Belfius, which is translated into a sound internal governance and principles to be followed in the respect of GDPR.

  In order to continuously guarantee data privacy within Belfius, the Privacy Committee related to GDPR regularly meets. Belfius' Management and several committees are informed about GDPR on a recurrent basis at Belfius.

  Staff needs to regularly update their GDPR knowledge and are also regularly informed on GDPR-news.

  The Data Privacy Officer (DPO) is part of the 2nd line of defence. A network of privacy correspondents, active in each department, work closely with the DPO to continuously raise awareness, control, and monitor processes and activities being in line with GDPR.

  GDPR conformity, including a risk assessment for the rights and freedom of the owners whose personal data is treated, is integrated into every process to offer (existing, adapted, and new) products, innovative digital tools, services, and information sharing to its clients.

  This also included and includes the review of the privacy notice, the implementation of an adapted cookie policy and the implementation of the ruling of the European Court of Justice on eventual international transfers or international access of personal data.

  All activities treating personal data are documented by the business lines in a privacy register and Belfius is very committed to avoid personal data breaches and to manage any incident as quickly as possible.

  Data subject rights can be executed by data subjects via multiple possibilities, including the Belfius' online and mobile applications. More than 98% of the data subject rights are asked via the Belfius' online app and receives an answer in the same app within 1 business day.

- **Fraud risk**: Belfius applies a zero-tolerance policy for all forms of fraud (internal, external, and mixed fraud schemes), monitors the threats continuously and manages these risks based on a global anti-fraud policy as defined and steered by senior management. The roles and responsibilities have been clearly defined with business and support lines as the first risk managers. The CRO and NFR team, including the Anti-Fraud Officer as expert, have a clear 2nd Line of Defence role.

  In a context of evolving digital channels and faster payments processing, internal controls are continuously screened to prevent fraud and this to protect the interests of Belfius and its employees, customers, suppliers, and other stakeholders. More traditional Phishing techniques and cyber fraud cases need continuous investments to protect clients against potential impacts from these fraud schemes.

  Moreover, an anti-fraud expert panel is regularly organized to enhance the transversal circulation of information and to ensure that the Anti-Fraud Steering Committee (A-FSC) receives the information necessary for defining & monitoring the anti-fraud risk management.

- **Outsourcing risk**: Belfius is aware that outsourcing & third-party risk must be addressed adequately and fully assumes its responsibilities, including but not limited to overseeing and managing the concerned arrangements and the risks involved. The Outsourcing Risk & Material Arrangements Policy is compliant with the "Final Report on EBA Draft Guidelines on Outsourcing Arrangements". In particular, the policy provides for the appointment of the outsourcing function and the setup of the Outsourcing Management

(steering) Committee (OMC). Its mission consists in ensuring a well governed and coordinated outsourcing strategy in line with Belfius strategy, risk appetite and regulatory requirements.

- **Business continuity & crisis management**: Belfius is committed to its clients, counter-parties, and regulators to put in place, maintain and test viable alternative arrangements that, following an incident, allow the continuation or the resumption of critical business activities at the agreed operational level and entirely compliant with the Belgian regulation.

  The supporting process, the business continuity and crisis management, is applied in a uniform way at all Belfius entities and relies on a.o. threat analysis, business impact analysis, reallocation strategies (dual office, remote and homeworking, etc.), effective management reporting, business continuity plans as well as exercise and maintenance programs. In that way, Belfius has also demonstrated its resilience to the COVID-19 situation.

- **Employment Practices (HR) & Workplace Safety, Damage to Assets & Public Safety risk**: Belfius has a very low appetite for physical security and workplace safety risk and strives to provide a safe environment for its staff, clients, guests, and assets by ensuring that its physical security measures and procedures meet high standards. To meet this goal, a Physical Security Steering Committee with all stakeholders systematically monitors the overall situation by means of a dashboard. It also acts as a forum to reflect and to dialogue on actual incidents, and to envisage action plans to reduce the risk to acceptable levels.

- **Compliance & anti-money laundering ("AML")**: Compliance risk is managed around a central compliance department. In Belfius, the Compliance Officer reports directly to the CRO and to the Audit Committee and, if necessary, may directly approach the Chairman of the Board of Directors, the external auditor and the regulators. Belfius Bank has a very low risk appetite for compliance risk. This is important to maintain a good reputation, to maintain the confidence of all stakeholders and to avoid administrative or criminal sanctions. In this context, Belfius is continuously evaluating and reviewing its compliance framework to remain in line with the latest regulatory evolutions, best practices in the market and the strategy of Belfius Bank. In 2021, important progress was made with the implementation of new technologies relying on artificial intelligence, machine learning and robotics techniques in order to further increase the efficiency of the internal control process. The Anti-Money Laundering Compliance Officer ("**AML CO**") is head of the AML team, which combats money laundering practices. Belfius strives not to be involved in laundering money from illegal activities, the organisation of tax fraud, financing terrorism or circumventing international embargos in line with all legal requirements. To underline this commitment, the AML CO has established preventive measures and broadened controls. Proper knowledge of the customers and their identification (Know Your Customer process), investigation on the origin of financial flows on accounts and detection of dubious transactions (Know Your Transaction process) are all vital elements in the prevention of such practices.

If any of the above risks materialise, this may have an adverse impact on Belfius' business, results of operations, financial condition and prospects.

2.1.1.7 Liquidity (Global Criticality: Medium)

Liquidity risk consists of the risk that Belfius Bank will not be able to meet both expected and unexpected current and future cash-flows and collateral needs.

The liquidity risk at Belfius Bank is mainly stemming from:

- commercial funding collected from customers and the way these funds are allocated to customers through different type of loans/products;

- the volatility of collateral that is to be deposited at counterparties as part of the CSA framework for derivatives and repo transactions (so called cash & securities collateral);

- the value of the liquid reserves by virtue of which Belfius Bank can collect funding on the repo market and/or from the ECB.
- the capacity to obtain interbank and institutional funding;
- the concentration risk of funding sources, counterparties and maturities.

The monitoring of the liquidity risk is done through internal and regulatory liquidity Key Risk Indicators ("**KRI**") that are reported on a regular basis and the compliance with those KRI is also tested under stress scenarios. Next to the Internal Liquidity Ratio (working on a 3-month horizon), the short and long-term liquidity risks are managed, respectively, by means of the regulatory Liquidity Coverage Ratio ("**LCR**") – 1-month horizon and the Net Stable Funding Ratio ("**NSFR**" – 1 year).

During 2021, Belfius preserved its diversified liquidity profile by maintaining a funding surplus with the commercial balance sheet, by continuing to obtain diversified long-term funding from institutional investors and by collecting short and medium-term deposits also from institutional investors. Belfius Bank participated in the ECB TLTRO III funding program for an amount of EUR 15.7 billion with the purpose to finance investment needs of SME's, social sector and retail clients (mortgage loans excluded). Given the economic uncertainty, Belfius Bank decided not to call part of the TLTRO and to keep it until maturity. Belfius Bank reached a 12-month average Liquidity Coverage Ratio (LCR) of 195% at the end of 2021 and 184% as of end of June 2022. The LCR of the bank has remained within its driving range during 2021 with a strong increase after the participation in the TLTRO. The NSFR, based on the binding CRR2 rules and calculated according to EBA templates, stood at 136% end of 2021 and 140% as of end of June 2022.

The driving factors behind these sources of liquidity risk are to a certain extent beyond the control of Belfius Bank as they are linked to the evolution of the financial and interbank markets, and to the banking regulations. As the funds collected from retail and other clients constitute an important share of Belfius Bank's liabilities, adverse market events, such as unexpectedly strong and lasting increase in interest rates, may trigger changes in the behaviour of Belfius Bank's clients in such a way that liquidity risk actually materialises despite Belfius Bank's prudent liquidity management. Further to this, and related to the ex-legacy portfolio, collateral outflows linked to Belfius Bank's large outstanding stock of derivatives and bonds composed of long-term inflation linked bonds issued by highly regulated UK utilities and infrastructure companies may arise, depending on the movement of the UK real interest rate. This risk is closely monitored by Belfius Bank.

Belfius Bank manages its liquidity with a view to comply with internal and regulatory liquidity ratios. In addition, limits are defined for the balance sheet amount that can be funded over the short term and on the interbank market. These limits are integrated in the RAF approved by the Board of Directors and reported on a quarterly basis. Available liquidity reserves also play a key role regarding liquidity: at any time, Belfius Bank ensures it has sufficient quality assets to cover any temporary liquidity shortfalls, both in normal markets and under stress scenarios. Belfius Bank defined specific guidelines for the management of LCR eligible bonds and non-LCR eligible bonds, both approved by the Management Board. Given its solid liquidity position, Belfius' funding plan is more than ever driven by MREL requirements rather than by an expected liquidity shortfall. In this context, in 2021 Belfius issued EUR 0.5 billion senior preferred bonds, EUR 0.5 billion senior non-preferred bonds and EUR 0.5 billion Tier 2 instruments. Aside from the liquidity benefit, these issuances will enable Belfius to further contribute to the MREL requirements.

2.1.1.8 Competition (Global Criticality: Medium)

Belfius Bank faces strong competition across all its markets from local and international financial institutions including banks, life insurance companies and mutual insurance organisations. The presence of Belfius Bank being solely limited to Belgium can be assessed as a competitive disadvantage compared to its competitors. While Belfius Bank believes it is positioned to compete effectively with these competitors, there can be no assurance that increased competition will not adversely affect Belfius Bank's pricing policy and lead to losing market shares in one or more markets in which it operates.

Competition is also affected by other factors such as changes in consumer demand and regulatory actions. Moreover, competition can increase as a result of internet and mobile technologies changing customer behaviours, the rise of mobile banking and the threat of banking business being developed by non-financial companies, all of which may reduce the profits of Belfius Bank.

The introduction of the Payment Services Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market may enable the emergence of payment aggregators, which could in turn reduce the relevance of traditional bank platforms and weaken brand relationships. The development of ecosystems – which lead to the abolition of borders across economic sectors – could further exacerbate these threats.

Any failure by Belfius Bank to manage the competitive dynamics to which it is exposed could have a material adverse effect on its business, financial condition, results of operations, and prospects. Nevertheless, Belfius Bank remains confident about its business model targeting the Belgian perimeter, its pro-active and deep work around new technologies, innovative partnerships and its evolution towards a modern banking platform.

In order to stay ahead of this risk, Belfius Bank relies at several levels on benchmarking assessments (CoR, RWA, commercial real estate activities, macro-assumptions in ST exercise, results of transversal EBA benchmarking assessment, etc.).

2.2 Risks linked to the Pandbrieven

2.2.1 Common risks linked to the Pandbrieven under each Programme

2.2.1.1 Liquidity risk

The maturity and amortisation profile of the MP Cover Assets (in case of the MP Programme) and the PP Cover Assets (in case of the PP Programme) may not match the repayment profile and maturities of the Pandbrieven under the relevant Programme, therefore creating a need for liquidity solutions at the level of the relevant Programme.

The liquidity risk at the level of each Programme is mitigated by a liquidity test under the Belgian Covered Bonds Regulations which provides that the MP Special Estate (in case of the MP Programme) and the PP Special Estate (in case of the PP Programme) must contain sufficient liquid and available MP Cover Assets and PP Cover Assets, as applicable, to provide a liquidity buffer in order to enable the Issuer to cover the net liquidity outflows of the relevant Programme at any time, as well as the maximum amount of the sum of the net liquidity outflows calculated over a six month period (the "**Liquidity Test**")(see Section 6.2.3.5). As an Extended Maturity Date applies to all Series of Mortgage Pandbrieven and Public Pandbrieven, the principal amount of the Series of Mortgage Pandbrieven and Public Pandbrieven taken into account for the purpose of the calculation of the net liquidity outflow can be based on the extended final maturity as stipulated in the issue conditions. The Issuer has undertaken to comply with the Liquidity Test under each Programme.

Furthermore, the Issuer (or the relevant Cover Pool Administrator, as the case may be) may also enter into derivative contracts to alleviate mismatches that could give rise to liquidity risk (as described in Section "*Risk Management*").

The issuing credit institution must also establish risk management policies and perform a stress test on a quarterly basis in order to guarantee that the liquidity flows generated by the MP Cover Assets or PP Cover Assets remain sufficient to satisfy the requirements of the Cover Tests and the Liquidity Test and/or, as the case may be, must possess other assets that can be used quickly as cover asset in order to provide relevant coverage.

The stress tests do at least need to take into account:

(a) sudden and unexpected interest rate or exchange rate movements;

(b) scenarios with different levels of percentages of early prepayment of cover assets;

(c) scenarios with material deterioration of the credit quality of the cover assets.

See Section "*Liquidity Test*" on page 82.

Under the terms of the Pandbrieven of each Programme, the Issuer furthermore has the option to subscribe to its own Mortgage Pandbrieven and/or Public Pandbrieven for liquidity purposes (including, without limitation, for transactions with the European Central Bank) (see respectively MP Conditions 3(g) (Redemption, Purchase and Options – Purchases) and 3(h) (Redemption, Purchase and Options – Subscription to own Mortgage Pandbrieven) and PP Conditions 3(g) (Redemption, Purchase and Options – Purchases) and 3(h) (Redemption, Purchase and Options – Subscription to own Public Pandbrieven). Also, the maturity of the Pandbrieven under each Programme will automatically be extended if and to the extent that the Issuer would not be in a position to repay the relevant Pandbrieven within five (5) Business Days of their Maturity Date (or if, on the Maturity Date, there is another Series of Pandbrieven outstanding under the relevant Programme which was previously extended and which the Issuer fails to fully redeem on or prior to the Maturity Date). Any payment which is subject to such an extension shall, however, not be considered as an unconditional payment on the Pandbrieven under the relevant Programme for purposes of the Liquidity Test.

2.2.1.2 Interest rate risk

The interest rate risk is one of the central risks of interest-bearing Pandbrieven. The interest rate level on the money and capital markets may fluctuate on a daily basis and cause the value of the Pandbrieven to change on a daily basis. The interest rate risk is a result of the uncertainty with respect to future changes in the level of market interest rate. In particular, holders of Fixed Rate Pandbrieven and Zero Coupon Pandbrieven are exposed to an interest rate risk that could result in a decrease in value if the level of the market interest rate increases. In general, the effects of this risk increase as the market interest rates increase.

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Pandbrieven than on the prices of interest bearing Pandbrieven because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Pandbrieven can suffer higher price losses than other Pandbrieven having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Pandbrieven are a type of investment associated with a particularly high price risk.

Moreover, mismatches are possible in the rates of interest received on the MP Cover Assets (in case of the MP Programme) or the PP Cover Assets (in case of the PP Programme), as applicable, and the rates of interest payable under the Pandbrieven (which may, for example, be fixed rates or floating rates) of the relevant Programme. This risk is mitigated by overcollateralisation and/or derivatives, in line with the regulatory requirements.

2.2.1.3 Extension risk

The obligation of the Issuer to pay the Final Redemption Amount of a Series of Pandbrieven on the Maturity Date of such Series can, in accordance with the grounds for extension foreseen in the Belgian Covered Bonds Regulations, be deferred upon the occurrence of one of the two following events:

(a) the Issuer fails to redeem the Mortgage Pandbrieven of the relevant Series at their Final Redemption Amount in full within five Business Days after their Maturity Date ("failure to pay"). In such case the obligation of the Issuer to redeem such Series shall be automatically deferred to, and shall be due on, the Extended Maturity Date falling one year after the relevant Maturity Date; and

(b) the deferral may also be decided upon by the Cover Pool Administrator in the event a liquidation procedure is initiated against the Issuer or the Issuer is resolved.

Furthermore, Article 13, §2 *in fine* of Annex III to the Banking Law foresees that an extension of a particular Series of Mortgage Pandbrieven may not alter the sequence of Maturity Dates among different Series of Mortgage Pandbrieven. In order to comply with this provisions, the terms and conditions of the Pandbrieven of each Programme provide that to the extent that the maturity date of any Series of Pandbrieven falls prior to the Extended Maturity Date of another Series which has been extended in accordance with the above provisions, the maturity date of such Series shall also be extended on its maturity date in accordance with the terms and conditions applicable thereto, unless, on or prior to such maturity date, the Series of Pandbrieven for which the Maturity Date has been previously extended is redeemed in full and all interest accrued in respect thereto is paid. While such extension is in itself not triggered by one of two ground for extension foreseen in the Banking Law, it is foreseen in order to avoid that an extension of a particular Series of Pandbrieven would alter the sequence of Maturity Dates among different Series of Pandbrieven.

Accordingly, Noteholders are exposed to an extension risk. In the case of an extension, the relevant Pandbrieven will bear interest on the outstanding principal amount of the Pandbrieven in accordance with the applicable Final Terms. Moreover, to the extent that the Issuer has sufficient funds available to redeem the relevant Series of Pandbrieven on any Interest Payment Date falling after such extension, the Issuer shall be required to redeem the outstanding principal amount under such Pandbrieven on any such Extension Payment Date (or any other date in accordance with Condition 3(j)(v) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*).

The extension of the maturity of the particular Series of the Pandbrieven from the Maturity Date to the Extended Maturity Date will not result in any right of the Noteholders to accelerate payments or take action against the MP Special Estate (in case of Mortgage Pandbrieven) or the PP Special Estate (in case of Public Pandbrieven) and no payment will be payable to the Noteholders in that event other than as set out in the Conditions of the relevant Programme and applicable Final Terms. The payment of the remaining unpaid amount shall become due and payable on the Extended Maturity Date.

Noteholders should also note that an extension of the maturity of a particular Series of Pandbrieven will not automatically trigger an extension of the maturity date of any other Series. This would only be the case where the maturity date of such other Series under the same Programme falls prior to the Extended Maturity Date of the particular extended Series and such extended Series have not been redeemed in full on such Maturity Date.

2.2.1.4 Taxation

Potential investors in the Pandbrieven should be aware that they may be required to pay taxes or documentary charges or other duties in accordance with the laws and practices of the country where the relevant Pandbrieven are purchased or when the relevant Pandbrieven are sold to other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus but to consult their own independent tax advisers regarding their individual taxation with respect to the acquisition, holding, sale and redemption of the Pandbrieven. Only these advisers are in a position to duly consider the specific situation of the potential investor. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time. This risk factor has to be read in connection with Section 12 (*Taxation*) of this Base Prospectus.

2.2.1.5 Change of law (including tax law)

The MP Conditions and the PP Conditions are, save to the extent referred to therein, based on legislation in effect as at the date of issue of the relevant Pandbrieven. No assurance can be given as to the impact of any possible judicial decision or changes to the laws (including tax laws) in Belgium, other jurisdictions (such as FATCA under U.S. law) or on a supranational level into national legislation and on the existing Belgian Covered Bonds Regulations or administrative practice after the date of issue of the relevant Pandbrieven.

Investors should note that the provisions of the MP Conditions and PP Conditions contain certain provisions dealing with a change of law. Such provisions will be applied, in accordance with the law in force at the relevant time.

In addition, any relevant law (including tax law) or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Pandbrieven may change at any time (including during any subscription period or the term of the Pandbrieven). Any such change may have an adverse effect on a Noteholder of the relevant Pandbrieven, including that the Pandbrieven may be redeemed before their due date, their liquidity may decrease and/or the tax treatment of amounts payable or receivable by or to an affected Noteholder may be less than otherwise expected by such Noteholder.

2.2.1.6 Specific risks relating to Pandbrieven issued as Green Bonds

The applicable Final Terms with respect to an issue of Pandbrieven may provide that the Issuer intends to apply an amount equal to the net proceeds of the issue to finance and/or refinance, in whole or in part, loans and investments realised by the Issuer to finance projects and/or assets (the "**Eligible Green Assets**"), as described in the applicable Final Terms and in the Issuer's Green Bond Framework (as defined in Section "*Use of Proceeds*"), such Pandbrieven being referred to as "**Green Bonds**".

Pandbrieven issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green or sustainable assets and may not meet investor expectations or requirements. Any failure to use the net proceeds of any Green Bonds in connection with green or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets.

The Issuer has established a green bond framework (the "**Green Bond Framework**") under which it can issue Green Bonds and that is available on the Issuer's website (https://www.belfius.be/about-us/dam/corporate/investors/debt-issuances/green-bonds/Belfius%20Green%20Bond%20Framework%20-%20May%2021.pdf). The Green Bond Framework and the contents of such website do not form part of, nor are they incorporated into, this Base Prospectus.

The Issuer has requested a sustainability rating agency or sustainability consulting firm to issue an independent opinion (a "**Second Party Opinion**") confirming confirming the sustainability of the Green Bond Framework and alignment of it with the International Capital Market Association ("**ICMA**") Green Bond Principles 2018 (the "**ICMA Green Bond Principles**"). The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market, which may be updated from time to time.

Such Second Party Opinion has been issued by Sustainalytics in respect of the compliance of the Issuer's Green Bond Framework with the ICMA Green Bond Principles. However, there is no assurance that this Second Party Opinion will remain valid and there is no obligation for the Issuer to obtain an updated opinion. Furthermore, the Second Party Opinion could be withdrawn or become outdated.

The Second Party Opinion is available on the website of the Issuer (https://www.belfius.be/about-us/en/investors/debt-issuance/green-bonds). The Second Party Opinion and the contents of such website do not form part of, nor are they incorporated into, this Base Prospectus.

No assurance is or can be given to investors by the Issuer, the Arranger, the Dealers or any other person that any projects or uses the subject of, or related to, any Green Bonds will meet or continue to meet on an ongoing basis any or all investor expectations regarding "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy Regulation**") or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA) or that any adverse environmental, social

and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, the Issuer's Green Bond Framework and/or any relevant Eligible Green Assets. The EU Taxonomy Regulation is subject to further development through delegated regulations. The European Commission furthermore published a legislative proposal for a European green bond standard, which provides a common framework of rules for issuers of bonds that wish to use the designation of "European green bond" or "EuGB" for bonds where the proceeds are used to finance green assets or projects and that pursue environmentally sustainable objectives under the EU Taxonomy Regulation.

Each prospective investor should have regard to factors described in the Issuer's Green Bond Framework and the relevant Final Terms (if applicable) and should determine for itself the relevance of the information contained in this Base Prospectus and in the applicable Final Terms regarding the use of proceeds and its purchase of any Green Bonds should be based upon such investigation and due diligence as it deems necessary.

While it is the intention of the Issuer to apply an amount equal to the net proceeds of any Green Bonds and to report on the use of proceeds or Eligible Green Assets as described in, or substantially in the manner described in the applicable Final Terms, there can be no assurance that such application of the net proceeds will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timeframe, or anticipated and, accordingly, that the Issuer will be able to use such amounts for such Eligible Green Assets as intended.

In addition, there can be no assurance that such Green Bond or Eligible Green Assets will be completed as expected or achieve the impacts or outcomes (whether or not related to environmental, sustainability or other objectives) originally expected or anticipated by the Issuer.

A failure by the Issuer to allocate an amount equal to the net proceeds of any Pandbrieven issued as Green Bonds or to report on the use of such amounts or Eligible Green Assets as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Bonds or the failure of the Pandbrieven issued as Green Bonds to meet investors' expectations requirements regarding any "green" or similar labels will not constitute an Event of Default or breach of contract with respect to any of the Pandbrieven issued as Green Bonds.

Further, although the Issuer may agree at the Issue Date of any Green Bonds to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of green or sustainable projects (as specified in the relevant Final Terms), it would not (a) be an event of default under the Green Bonds; (b) give rise to any other claim or right (including, for the avoidance of doubt, the right to accelerate the Pandbrieven) of a holder of such Green Bonds against the Issuer; (c) lead to an obligation of the Issuer to redeem such Pandbrieven or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Pandbrieven, or (d) impact the regulatory treatment of the Green Bonds if (i) the Issuer were to fail to comply with such obligation or were to fail to use the proceeds in the manner specified in the relevant Final Terms; (ii) the Second Party Opinion were to be withdrawn or be no longer valid or renewed and/or (iii) there would be a lack of eligible green assets in which the Issuer may invest.

For the avoidance of doubt, payments of principal and/or interest (as the case may be) on the relevant Green Bonds shall not depend on the performance of the Eligible Green Assets nor have any preferred right against such assets.

Any failure to use the net proceeds of any issue Green Bonds towards financing or refinancing of the Eligible Green Assets, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmental focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets. The occurrence of any of the above factors may cause damage to the Issuer's

reputation and may have a material adverse effect on the value of such Pandbrieven issued as Green Bonds and also potentially the value of any other Pandbrieven and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose (which consequences may include the need to sell such Pandbrieven issued as Green Bonds as a result of such Pandbrieven not falling within the investor's investment criteria or mandate).

For the avoidance of doubt, any third party opinion or certification (including the Second Party Opinion) (i) may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed in this section and other factors that may affect the value of any Green Bonds, (ii) is not, nor should be deemed to be, a recommendation by the Issuer, the Arranger, the Dealers or any other person to buy, sell or hold Green Bonds and (iii) would only be current as of the date it was initially issued.

Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Green Bonds. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

2.2.1.7 Secondary Market Risk

Pandbrieven will at the time of their issuance not benefit from a trading market. Although application may be made (without this being an obligation) for a particular Series of dematerialized Pandbrieven for listing and admission to trading on the regulated market of Euronext Brussels or another stock exchange, there is no assurance that such application will be accepted or that an active trading market will develop or that any listing or admission to trading will be maintained. Also, a particular Series of Pandbrieven may upon issuance and placement not be widely distributed.

Accordingly, no assurance can be given that a market will ever develop, and, if a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Pandbrieven easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If an active or liquid secondary market develops, it may not continue for the life of the relevant Pandbrieven or it may not provide investors with liquidity of investment with the result that an investor may not be able to find a buyer to buy its Pandbrieven readily or at prices that will enable the investor to realise a desired yield.

This holds particularly true for any Series of Pandbrieven that are sensitive to interest rate, currency or market risks, that are designed for specific investment objectives or strategies or that have been structured to meet the investment requirements of limited categories of investors. These types of Pandbrieven generally would have a more limited secondary market and a higher price volatility than conventional debt securities. Lack of liquidity may have a materially adverse effect on the market value of Pandbrieven.

2.2.2 Specific risks linked to the Mortgage Pandbrieven

2.2.2.1 Value and maintenance of the MP Special Estate

The Noteholders of Mortgage Pandbrieven will have an exclusive claim on the MP Special Estate together with the MP Other Creditors. The Cover Tests (as defined in Section 6.2.3.2) applicable to the MP Special Estate are intended to ensure that the Issuer maintains an adequate amount of MP Cover Assets in the MP Special Estate to enable the Issuer to meet its obligations under the Mortgage Pandbrieven. Since the economic value of the MP Cover Assets may increase or decrease, the value of the MP Special Estate may decrease over time (e.g., if there is a general decline in property values or an increase in borrower defaults). The Issuer makes no representation, warranty or guarantee that the value of a real estate asset will remain at the same level as it was on the date of the origination of the related Residential Mortgage Loan or at any other time.

A combination of increasing household indebtedness and stable or declining housing prices in Belgium could increase the financial vulnerability of some Belgian mortgage borrowers, especially young and/or

low-income borrowers. Certain geographic regions of Belgium may from time to time experience weaker regional economic conditions and housing markets or be directly or indirectly affected by natural disasters or civil disturbances. Residential Mortgage Loans in such areas will experience higher rates of loss and delinquency than Residential Mortgage Loans generally. The ability of the borrowers to make payments on Residential Mortgage Loans may also be affected by factors which do not necessarily affect property values, such as adverse economic conditions generally in particular geographic areas or industries, or affecting particular segments of the borrowing community (such as borrowers relying on commission income and self-employed borrowers).

As Residential Mortgage Loans with respect to properties located in Belgium constitute the main asset class of the MP Special Estate, the above factors (or a combination of them) may have an adverse effect on mortgage borrowers' ability to meet their mortgage payment obligations. This could reduce the value of the Residential Mortgage Loans and, ultimately, could result in losses for the MP Noteholders (and MP Other Creditors) if the MP Special Estate is liquidated.

In addition, although the Cover Tests (and the Issuer's obligation to remedy breaches of the Cover Tests) are intended to ensure that the value of the MP Special Estate (as determined in accordance with the Belgian Covered Bonds Regulations) is greater than the outstanding principal amount of MP Mortgage Pandbrieven covered by the MP Special Estate, no assurance can be given that the Issuer will be in a position to originate or add Residential Mortgage Loans to the MP Special Estate in the future or that the income generated by or proceeds resulting from any sale or realisation of the MP Cover Assets will at the time of realisation be sufficient to enable the Issuer to meet its obligations under the Mortgage Pandbrieven.

2.2.2.2 Set-off risk

Under Belgian law, legal set-off occurs where two persons hold claims against each other, provided, in general, that their debts exist, are fungible, liquid (*vaststaand/liquide*) and due (*opeisbaar/exigible*). As a result, set-off rights may arise in respect of cross-claims between an underlying debtor of a Residential Mortgage Loan and the Issuer, potentially reducing amounts receivable by the MP Special Estate.

Pursuant to the Mobilisation Law (as defined in Section 6.1.2), the underlying debtor of a Residential Mortgage Loan may no longer invoke set-off of its debt with any claim that it would have against the Issuer if the claim of the underlying debtor would only arise, or the conditions for set-off (as set out in the preceding paragraph) would only be met, after (i) notification of the registration/transfer of the Residential Mortgage Loan to the MP Special Estate or (ii) the opening of bankruptcy proceedings against the Issuer.

The MP Special Estate may nevertheless still be subject to the rights of the underlying debtors of Residential Mortgage Loans to invoke set-off against the MP Special Estate to the extent that the relevant claims against the Issuer arise, or the conditions for set-off against the Issuer are met, prior to the earlier of (i) the notification of the registration of the loan or (ii) the opening of bankruptcy proceedings against the Issuer. The exercise of set-off rights by underlying debtors may adversely affect the value of the MP Special Estate, may additionally affect any sale proceeds of the MP Special Estate and may ultimately affect the ability of the Issuer or, as the case may be, the MP Cover Pool Administrator to make payments under the Mortgage Pandbrieven.

2.2.3 Specific risks linked to the Public Pandbrieven

2.2.3.1 Value and maintenance of the PP Special Estate

The PP Noteholders will have an exclusive claim on the PP Special Estate together with the PP Other Creditors. The Cover Tests (as defined in Section 6.2.3.2) applicable to the PP Special Estate are intended to ensure that the Issuer maintains an adequate amount of PP Cover Assets in the PP Special Estate to enable the Issuer to meet its obligations under the Public Pandbrieven. Since the economic value of the PP Cover Assets may increase or decrease, the value of the PP Special Estate may vary over time. The Issuer makes

no representation, warranty or guarantee that the value of any of the PP Cover Assets will remain at the same level as it was on the date of the registration of the relevant PP Cover Asset in the PP Special Estate or at any other time.

Although the Cover Tests (and the Issuer's obligation to remedy breaches of the Cover Tests) are intended to ensure that the value of the PP Special Estate (as determined in accordance with the Belgian Covered Bonds Regulations) is greater than the outstanding principal amount of Public Pandbrieven covered by the PP Special Estate, no assurance can be given that the income generated by or proceeds resulting from any sale or realisation of the PP Cover Assets will at the time of realisation be sufficient to enable the Issuer to meet its obligations under the Public Pandbrieven. Moreover, the composition and the characteristics of the Public Sector Exposure that will be included in the Special Estate may change from time to time as a result of additions, removals and/or substitutions (i.e. a replacement of the Public Sector Exposure by another) of PP Cover Assets.

In addition, even though the Issuer will be under the obligation to register additional assets to the PP Special Estate if the value of the Special Estate decreases, there can be no assurance that the Issuer will be in a position to originate or add Public Sector Exposure to the PP Special Estate in the future.

2.2.3.2 Certain allocation issues may arise

An allocation issue could arise if (i) Public Sector Exposure has been entered into with a debtor, (ii) some but not all of the Public Sector Exposure has been registered with the PP Special Estate and (iii) a particular debtor has insufficient funds available to satisfy its obligations under such Public Sector Exposure. In such circumstances, a debtor may, pursuant to Article 1253 of the Belgian (Old) Civil Code, choose to which Public Sector Exposure his payment may be allocated (it being understood that payments should be allocated to interest before principal).

While it is fairly customary to request debtors to waive Article 1253 of the Belgian (Old) Civil Code in the context of loans granted to customers (including in the case of mortgage loans), this is not the case in relation to loans granted to public entities. Accordingly, this could have a negative impact on the PP Special Estate if (i) both the Issuer were to be in an insolvency situation and the underlying debtor of a particular Public Sector Exposure in a situation of financial distress, (ii) such debtor would have amounts payable to both the PP Special Estate and the general estate of the Issuer and (iii) such debtor would choose to satisfy its debt towards the general estate in priority pursuant to an election based on Article 1253 of the Belgian (Old) Civil Code. Absent any such election, the payment would, in such a scenario, be split pro rata between the PP Special Estate and the general estate of the Issuer pursuant to PP Condition 7(c) (*Allocation*).

2.2.3.3 Public Sector Exposure debtors may benefit from immunity of enforcement

The PP Special Estate may be composed of exposure to federal, regional and local authorities as well as exposure to public sector entities. Pursuant to Article 1412bis Belgian Judicial Code, all assets of federal, regional or local authorities and public sector entities are protected by immunity from enforcement, except to the extent that assets against which enforcement is sought are clearly not useful for purposes of ensuring the continuity of the relevant public authority or entity's public service.

It should also be noted that federal, regional or local authorities and public sector entities are not subject to bankruptcy laws. It is therefore not possible for creditors of such authorities or entities to put them into bankruptcy or force their liquidation.

2.2.3.4 Set-off risk

Under Belgian law, legal set-off occurs where two persons hold claims against each other, provided, in general, that their debts exist, are fungible, liquid (*vaststaand/liquide*) and due (*opeisbaar/exigible*). As a result, set-off rights may arise in respect of cross-claims between an underlying debtor of a Public Sector Exposure and the Issuer, potentially reducing amounts receivable by the PP Special Estate.

Pursuant to the Mobilisation Law (as defined in Section 6.1.2), the underlying debtor of a Public Sector Exposure may no longer invoke set-off of its debt with any claim that it would have against the Issuer if the claim of the underlying debtor would only arise, or the conditions for set-off (as set out in the preceding paragraph) would only be met, after (i) notification of the registration/transfer of the Public Sector Exposure to the PP Special Estate or (ii) the opening of bankruptcy proceedings against the Issuer.

Such protection against contractual set-off does, however, not apply in the specific situation where the underlying debtor of a Public Sector Exposure is a public entity which can invoke a netting arrangement (within the meaning of the financial collateral law of 15 December 2004) which is part of a financial collateral arrangement. Such a situation rarely arises in practice and the Issuer has committed not to include any Public Sector Exposure in the PP Special Estate which would be subject to any such specific netting arrangement.

The PP Special Estate may nevertheless still be subject to the rights of the underlying debtors of Public Sector Exposure to invoke set-off against the PP Special Estate to the extent that the relevant claims against the Issuer arise, or the conditions for set-off against the Issuer are met, prior to the earlier of (i) the notification of the registration of the Public Sector Exposure or (ii) the opening of bankruptcy proceedings against the Issuer.

The exercise of set-off rights by underlying debtors may adversely affect the value of the PP Special Estate, may additionally affect any sale proceeds of the PP Special Estate and may ultimately affect the ability of the Issuer or, as the case may be, the PP Cover Pool Administrator to make payments under the Public Pandbrieven.

SECTION 3
DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

- the audited consolidated accounts of Belfius Bank for the years ended 31 December 2020[12] and 31 December 2021[13], including the reports of the statutory auditors in respect thereof;
- the disclosure document on "Alternative Performance Measures" (the "**APM**") for the years ended 31 December 2020[14] and 31 December 2021[15];
- the half-yearly report ended 30 June 2022 (the "**Half-Yearly Report 2022**")[16];
- the disclosure document on the APM for the half-year ended 30 June 2022[17];
- the Terms and Conditions of the Mortgage Pandbrieven set out at pages 88 to 121 of the Base Prospectus dated 5 October 2021 relating to Belfius Bank's Belgian Pandbrieven Programmes[18]; and
- the Terms and Conditions of the Public Pandbrieven set out at pages 122 to 154 of the Base Prospectus dated 5 October 2021 relating to Belfius Bank's Belgian Pandbrieven Programmes[19].

Such documents shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

In respect of any issuance of a new Tranche increasing a Series issued under a previous base prospectus, the present Base Prospectus should be read and construed in conjunction with the conditions (set out in Section 8) of the relevant base prospectus, which are incorporated by reference in the present Base Prospectus.

Copies of all documents incorporated by reference in this Base Prospectus may be obtained without charge from the offices of the Issuer and on the website of the Issuer at www.belfius.be. Potential investors in the relevant Pandbrieven should be aware that any website referred to in this Base Prospectus does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA.

The tables below set out the relevant page references for:

- • the (i) consolidated balance sheet, (ii) consolidated statement of income, (iii) consolidated statement of comprehensive income, (iv) consolidated statement of change in equity (v) consolidated cash flow statement, (vi) notes to the consolidated financial statements, (vii) audit report on the consolidated accounts, (viii) non-consolidated balance sheet, (ix) non-consolidated statement of income, (x) audit report on the non-consolidated accounts and the APM of 2020 and 2021; and

[12] bel_RA2020_eng.pdf (belfius.be)

[13] 2021 Annual Report.pdf (belfius.be)

[14] bel_APM_2020.pdf (belfius.be)

[15] 2021 Alternative Performance Measures (belfius.be)

[16] 1H 2022 Half-yearly report (belfius.be)

[17] 1H 2022 Half-yearly report (belfius.be)

[18] Base prospectus (belfius.be)

[19] Base prospectus (belfius.be)

- the (i) unaudited consolidated balance sheet, (ii) unaudited consolidated statement of income, (iii) unaudited consolidated statement of comprehensive income, (iv) unaudited consolidated statement of change in equity, (v) unaudited consolidated cash flow statement, (vi) audit limited review report on the consolidated accounts and (vii) notes to the consolidated interim financial statements of Belfius Bank for the period ended 30 June 2022 and the APM for the half-year ended 30 June 2022.

Solely the information listed in the table below in respect of the annual reports for the years ended 31 December 2020 and 2021 and the Half-Yearly Report 2022 is incorporated by reference in the Base Prospectus. The other parts of the annual reports are not incorporated by reference; they are either deemed not relevant for the investor or are already covered elsewhere in the Base Prospectus. The consolidated balance sheet and consolidated statement of income of Belfius Bank for the years 2020 and 2021 can also be found in the section headed "*Description of the Issuer*" on pages 219 to 266 of this Base Prospectus.

	Belfius Bank SA/NV		
	Annual Report 2020 (English version) **audited**	**Annual Report 2021 (English version)** **audited**	**Half-Yearly Report 2022 (English version)** **unaudited – condensed**
consolidated balance sheet	194	238	94
consolidated statement of income	196	240	96
consolidated statement of comprehensive income	198	241	98
consolidated statement of change in equity	200	243	100
consolidated cash flow statement	205	248	105
notes to the consolidated financial statements	208	252	107
audit report on the consolidated accounts	344	395	170
non-consolidated balance sheet	352	404	N/A
non-consolidated statement of income	355	407	N/A
audit report on the non-consolidated accounts	357[20]	409[21]	N/A

[20] The statutory report on the non-consolidated account is not included in the English version, but reference in such version is made to the French and the Dutch versions, available on this website: bel_RA2020_fr.pdf (belfius.be) (French version - on page 412) and bel_RA2020_nl.pdf (belfius.be) (Dutch version - on page 416).

[21] The statutory report on the non-consolidated account is not included in the English version, but reference in such version is made to the French and the Dutch versions, available on this website: 2021 Rapport Annuel.pdf (belfius.be) (French version - on page 420) and 2021 Jaarverslag.pdf (belfius.be) (Dutch version - on page 426).

APM for the financial years ended 31 december 2020, 31 December 2021 and 30 June 2022

	Belfius Bank SA/NV		
	Alternative performance measures 2020	**Alternative performance measures 2021**	**Alternative performance measures 1H 2022**
common equity tier 1 ratio	1	1	1
tier 1 ratio	1	1	1
total capital ratio	1	1	1
leverage ratio	2	2	2
solvency II ratio	2	2	2
net interest margin	3	3	3
cost-income ratio	3	3	3
asset quality ratio	3	4	4
coverage ratio	4	4	4
liquidity coverage ratio	2	2	2
net stable funding ratio	2	2	2
return on equity	4	4	4
total savings and investments	5	5	5
total loans to customers	6	6	6
ALM liquidity bond portfolio	6	6	6
ALM yield bond portfolio	6	6	7
credit guarantee portfolio	6	7	7
funding diversification	7	7	7
adjusted results	9	10	10

SECTION 4
PROSPECTUS SUPPLEMENT

Under Article 23(1) of the Prospectus Regulation, the Issuer is required to prepare a supplement to the Base Prospectus without undue delay if a significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus occurs, provided it is capable of affecting the assessment of the Pandbrieven under a Programme and which arises or is noted between the time when the Base Prospectus is approved and the final closing of the offer to the public or, as the case may be, the time when trading on a regulated market begins, whichever occurs later.

If at any time the Issuer shall be required to prepare a supplement pursuant to Article 23(1) of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which, in respect of any subsequent issuance of Pandbrieven to be listed and admitted to trading on Euronext Brussels' regulated market, shall constitute a prospectus supplement in accordance with Article 23(1) of the Prospectus Regulation.

The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus is no longer valid. This Base Prospectus shall be valid for a period of twelve months from its date of approval.

SECTION 5
DESCRIPTION OF THE PROGRAMMES

The Issuer has established two separate programmes for the issuance of pandbrieven in accordance with the Banking Law and the Belgian Covered Bonds Regulations: (i) the Mortgage Pandbrieven Programme and (ii) the Public Pandbrieven Programme.

5.1 Mortgage Pandbrieven Programme and Mortgage Pandbrieven Documents

The Issuer may from time to time issue Mortgage Pandbrieven under its Mortgage Pandbrieven Programme. The aggregate outstanding principal amount of Mortgage Pandbrieven in euro shall not at any time exceed EUR 10,000,000,000 (or the euro equivalent at the date of issuance in the case of other currencies). All Series of Mortgage Pandbrieven outstanding from time to time shall be included in a list which can be consulted on the website of the Supervisory Authority at www.nbb.be.

In addition to a recourse to the general estate of the Issuer, holders of Mortgage Pandbrieven issued under the MP Programme (and the MP Other Creditors) will benefit from an exclusive recourse against the same MP Special Estate (which is distinct from the PP Special Estate and the general estate of the Issuer). The main asset class of the MP Special Estate will consist of Residential Mortgage Loans. The eligible residential mortgage loans pool is determined in line with the Belgian Covered Bonds Regulations. The selection of the Residential Mortgage Loans out of that eligible residential mortgage loans pool, that are registered as MP Cover Assets, is based on criteria such as (but not limited to) maturity, type of interest rate, etc. in order to optimise the management of the MP Programme. The value of the Residential Mortgage Loans calculated in accordance with the Belgian Covered Bonds Regulations (and including any collections in respect thereof) will at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Mortgage Pandbrieven of all Series. Both the issued Mortgage Pandbrieven and the Residential Mortgage Loans and any other MP Cover Assets will be registered in the MP Cover Register. Investor reports with details on, among others, the composition of the MP Special Estate will be made available on the website of the Issuer (www.belfius.be) on a monthly basis.

Under the Mortgage Pandbrieven Programme, the Issuer may issue Mortgage Pandbrieven subject to the MP Conditions (and the relevant MP Final Terms) set out in this Base Prospectus, but the Issuer may also from time to time issue Mortgage Pandbrieven subject to terms not contemplated by this Base Prospectus (including (without limitation) in the case of N Bonds). In the latter case, the relevant terms or form of terms of the Mortgage Pandbrieven are or, as the case may be, will be set out in a schedule to the MP Programme Agreement.

5.1.1 MP Programme Agreement

The MP Programme Agreement is an over-arching agreement initially dated 8 November 2012, as amended and/or supplemented and/or restated from time to time, containing certain common terms (the "**MP Common Terms**") which will apply to all Mortgage Pandbrieven issued under the MP Programme (including, without limitation, N Bonds). These MP Common Terms include the Post-Acceleration Priority of Payments, the Payment Default provision and cross-acceleration, the Rules of Organisation of the MP Noteholders, the MP Noteholders' Waiver, certain provisions required by the Belgian Covered Bonds Regulation, certain MP Issuer Covenants, and specify, for the avoidance of doubt, that all the holders of Mortgage Pandbrieven will be represented by the MP Noteholders' Representative and will benefit from an exclusive recourse against the MP Special Estate. The MP Programme Agreement further provides that a MP Programme Resolution will be required for any amendment to the MP Common Terms, unless (i) the MP Noteholders' Representative is of the opinion that such amendment will not be materially prejudicial to the interests of the MP Noteholders,(ii) that the amendment is of a formal, minor or technical nature or, in

the opinion of the MP Noteholders' Representative, is to correct a manifest error or to comply with mandatory provisions of law or (iii) such amendment is made to comply with any criteria from a Rating Agency. The MP Programme Agreement also provides that no Residential Mortgage Loans can be deregistered from the MP Special Estate without prior approval of the MP Cover Pool Monitor in case such deregistration would lead to a decrease of the ratio between the value of the MP Cover Assets and the outstanding principal amount of the Mortgage Pandbrieven. No such approval is required for the deregistration of Residential Mortgage Loans with a value of zero nor for a substitution (i.e. the replacement of a Residential Mortgage Loan by another) whereby the value of the MP Cover Assets does not decrease due to this substitution.

5.1.2 MP Noteholders' Representative Agreement

Pursuant to the MP Noteholders' Representative Agreement, initially dated 8 November 2012, as amended and/or supplemented and/or restated from time to time, the holders of the Mortgage Pandbrieven (and the MP Other Creditors which have agreed thereto) will be represented by the MP Noteholders' Representative which shall have the powers and rights conferred on it by the applicable terms and conditions, the Rules of Organisation of the MP Noteholders and the MP Noteholders' Representative Agreement.

5.1.3 MP Agency Agreement

The Mortgage Pandbrieven issued under the Base Prospectus will also have the benefit of an MP Agency Agreement (unless otherwise specified), initially dated 8 November 2012, as amended and/or supplemented and/or restated from time to time, pursuant to which the relevant (principal) paying agent, fiscal agent, registrar and calculation agent shall be appointed.

5.1.4 MP Distribution Agreement

Pursuant to and subject to the terms of the MP Distribution Agreement, initially dated 8 November 2012, as amended and/or supplemented and/or restated from time to time, the Issuer may agree with the MP Dealers that are party thereto to issue Mortgage Pandbrieven. The Issuer may also decide to issue Mortgage Pandbrieven which are not subject to the MP Distribution Agreement.

5.1.5 MP Clearing Services Agreement

The Issuer has entered into a MP Clearing Services Agreement on 19 September 2016 with the NBB-SSS replacing any previous ones, in its capacity as operator of the Securities Settlement System, and the MP Principal Paying Agent in relation to Dematerialised Mortgage Pandbrieven which will be represented by a book-entry in the records of the Securities Settlement System.

This Base Prospectus, the MP Programme Agreement, the MP Noteholders' Representative Agreement, the MP Agency Agreement, the MP Distribution Agreement, the MP Clearing Services Agreement and any other agreement or document entered into from time to time under or in connection with the MP Programme (as the same may be amended, supplemented, replaced and/or restated from time to time) and designated as a programme document constitute together the programme documents (the "**MP Programme Documents**"). Unless otherwise specified, the MP Programme Documents will be governed by Belgian law.

Pursuant to the terms of the MP Programme Documents, the Issuer shall be entitled to vary, approve or terminate the appointment of any agent or party thereto and/or appoint any additional or substitute agent or party (including, without limitation, in relation to the issue of any Mortgage Pandbrieven or N Bonds). The Issuer may also enter into any other agreement or document as it may from time to time deem necessary or appropriate in relation to the MP Programme or issuance of any Mortgage Pandbrieven. Each of the MP Programme Documents shall further contain specific provisions for the amendment, supplement, replacement and/or restatement of such agreement and a reference to any MP Programme Document shall be deemed a reference to such agreement as the same may from time be time be amended, supplemented, replaced and/or restated.

5.2 Public Pandbrieven Programme and Public Pandbrieven Documents

The Issuer may from time to time issue Public Pandbrieven under its Public Pandbrieven Programme. The aggregate outstanding principal amount of Public Pandbrieven in euro shall not at any time exceed EUR 10,000,000,000 (or the euro equivalent at the date of issuance in the case of other currencies). All Series of Public Pandbrieven outstanding from time to time shall be included in a list which can be consulted on the website of the Supervisory Authority at www.nbb.be.

In addition to a recourse to the general estate of the Issuer, holders of Public Pandbrieven issued under the PP Programme (and the PP Other Creditors) will benefit from an exclusive recourse against the same PP Special Estate (which is distinct from the MP Special Estate and the general estate of the Issuer). The main asset class of the PP Special Estate will consist of Public Sector Exposure. The eligible public sector exposures pool is determined in line with the Belgian Covered Bonds Regulations. The selection of the Public Sector Exposure out of that eligible public sector exposures pool, that is registered as PP Cover Assets, is based on criteria such as (but not limited to) maturity, type of interest rate, etc. in order to optimise the management of the Public Pandbrieven Programme. The value of the Public Sector Exposure calculated in accordance with the Belgian Covered Bonds Regulations (and including any collections in respect thereof) will at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Public Pandbrieven of all Series. Both the issued Public Pandbrieven and the Public Sector Exposure and any other PP Cover Assets will be registered in the PP Cover Register. Investor reports with details on, among others, the composition of the PP Special Estate will be made available on the website of the Issuer (www.belfius.be) on a monthly basis.

Under the Public Pandbrieven Programme, the Issuer may issue Public Pandbrieven subject to the PP Conditions (and the relevant PP Final Terms) set out in this Base Prospectus, but the Issuer may also from time to time issue Public Pandbrieven subject to terms not contemplated by this Base Prospectus (including (without limitation) in the case of N Bonds). In the latter case, the relevant terms or form of terms of the Public Pandbrieven are or, as the case may be, will be set out in a schedule to the PP Programme Agreement.

5.2.1 PP Programme Agreement

The PP Programme Agreement is an over-arching agreement initially dated 15 July 2014, as amended and/or supplemented and/or restated from time to time, containing certain common terms (the "**PP Common Terms**") which will apply to all Public Pandbrieven issued under the PP Programme (including, without limitation, N Bonds). These PP Common Terms include the Post-Acceleration Priority of Payments, the Payment Default provision and cross-acceleration, the Rules of Organisation of the PP Noteholders, the PP Noteholders' Waiver, certain provisions required by the Belgian Covered Bonds Regulation, certain PP Issuer Covenants, and specify, for the avoidance of doubt, that all the holders of Public Pandbrieven will be represented by the PP Noteholders' Representative and will benefit from an exclusive recourse against the PP Special Estate. The PP Programme Agreement further provides that a PP Programme Resolution will be required for any amendment to the PP Common Terms, unless (i) the PP Noteholders' Representative is of the opinion that such amendment will not be materially prejudicial to the interests of the PP Noteholders, (ii) that the amendment is of a formal, minor or technical nature or, in the opinion of the PP Noteholders' Representative is to correct a manifest error or to comply with mandatory provisions of law, or (iii) such amendment is made to comply with any criteria from a Rating Agency. The PP Programme Agreement also provides that no Public Sector Exposure can be deregistered from the PP Special Estate without prior approval of the PP Cover Pool Monitor in case such deregistration would lead to a decrease of the ratio between the value of the PP Cover Assets and the outstanding principal amount of the Public Pandbrieven. No such approval is required for the deregistration of Public Sector Exposure with a value of zero nor for a substitution (i.e. the replacement of a Public Sector Exposure by another) whereby the value of the PP Cover Assets does not decrease with more than EUR 10,000,000 due to this substitution.

5.2.2 PP Noteholders' Representative Agreement

Pursuant to the PP Noteholders' Representative Agreement initially dated 15 July 2014, as amended and/or supplemented and/or restated from time to time, the holders of the Public Pandbrieven (and the PP Other Creditors which have agreed thereto) will be represented by the PP Noteholders' Representative which shall have the powers and rights conferred on it by the applicable terms and conditions, the Rules of Organisation of the PP Noteholders and the PP Noteholders' Representative Agreement.

5.2.3 PP Agency Agreement

The Public Pandbrieven issued under the Base Prospectus will also have the benefit of a PP Agency Agreement (unless otherwise specified) initially dated 15 July 2014, as amended and/or supplemented and/or restated from time to time, pursuant to which the relevant (principal) paying agent, fiscal agent, registrar and calculation agent shall be appointed.

5.2.4 PP Distribution Agreement

Pursuant to and subject to the terms of the PP Distribution Agreement initially dated 15 July 2014, as amended and/or supplemented and/or restated from time to time, the Issuer may agree with the PP Dealers that are party thereto to issue Public Pandbrieven. The Issuer may also decide to issue Public Pandbrieven which are not subject to the PP Distribution Agreement.

5.2.5 PP Clearing Services Agreement

The Issuer has entered into a PP Clearing Services Agreement, dated 10 May 2016, as amended and/or supplemented and/or restated from time to time, with the NBB-SSS, in its capacity as operator of the Securities Settlement System, and the PP Principal Paying Agent in relation to Dematerialised Public Pandbrieven which will be represented by a book-entry in the records of the Securities Settlement System.

This Base Prospectus, the PP Programme Agreement, the PP Noteholders' Representative Agreement, the PP Agency Agreement, the PP Distribution Agreement, the PP Clearing Services Agreement and any other agreement or document entered into from time to time under or in connection with the PP Programme (as the same may be amended, supplemented, replaced and/or restated from time to time) and designated as a programme document constitute together the programme documents (the "**PP Programme Documents**"). Unless otherwise specified, the PP Programme Documents will be governed by Belgian law.

Pursuant to the terms of the PP Programme Documents, the Issuer shall be entitled to vary, approve or terminate the appointment of any agent or party thereto and/or appoint any additional or substitute agent or party (including, without limitation, in relation to the issue of any Public Pandbrieven or N Bonds). The Issuer may also enter into any other agreement or document as it may from time to time deem necessary or appropriate in relation to the PP Programme or issuance of any Public Pandbrieven. Each of the PP Programme Documents shall further contain specific provisions for the amendment, supplement, replacement and/or restatement of such agreement and a reference to any PP Programme Document shall be deemed a reference to such agreement as the same may from time be time be amended, supplemented, replaced and/or restated.

5.3 N Bonds and other terms

N Bonds are typically issued to certain German institutional investors and contain certain specific provisions which may differ from some of the terms and conditions that apply to the Pandbrieven issued under each Programme under this Base Prospectus. For instance, N Bonds may be governed by German law. Moreover, they are usually not listed. Accordingly, a prospectus is usually not required for their offering and the form of the terms applicable thereto will, at the relevant time of issuance, be annexed to the applicable MP Programme Agreement or PP Programme Agreement.

SECTION 6
SUMMARY DESCRIPTION OF THE LEGAL FRAMEWORK FOR BELGIAN COVERED BONDS AND BELGIAN PANDBRIEVEN

The following is a brief summary of certain features of the legal framework governing the issuance of Belgian covered bonds, as at the date of this Base Prospectus. This summary description is not, and does not purport to be, a complete description addressing all aspects of the Belgian legal framework pertaining to Belgian covered bonds. Accordingly, it is qualified in its entirety by reference to the applicable laws and regulations.

6.1 Introduction

6.1.1 Background

A dedicated regulatory regime for the issuance of covered bonds by Belgian credit institutions was initially adopted in August 2012 and introduced into Belgian law. The Belgian Covered Bonds Regulations (as defined below) contemplate a full on balance structure with a right of dual recourse for noteholders (an exclusive recourse against the special estate (together with certain other creditors) and an unsecured and unsubordinated claim against the general estate of the issuing credit institution).

6.1.2 Legislative framework

The legislative framework for Belgian covered bonds is established by the following laws, decrees and regulations (as the same may be amended, supplemented, replaced and/or restated from time to time, the "**Belgian Covered Bonds Regulations**"):

- Book II, Title II, Chapter IV, Section III of, and Annex III to, the the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms (*Wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen*/*Loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit et des sociétés de bourse*) (as amended from time to time, the "**Banking Law**");

- the Law of 3 August 2012 on various measures to facilitate the mobilisation of claims in the financial sector (*Wet van 3 augustus 2012 betreffende diverse maatregelen ter vergemakkelijking van de mobilisering van schuldvorderingen in de financiële sector/Loi du 3 août 2012 relative à des mesures diverses pour faciliter la mobilisation de créances dans le secteur financier*) (as amended from time to time, the "**Mobilisation Law**");

- the Royal Decree of 11 October 2012 on the issuance of Belgian covered bonds by Belgian credit institutions (*Koninklijk Besluit van 11 oktober 2012 betreffende de uitgifte van Belgische covered bonds door kredietinstellingen naar Belgisch recht/Arrêté Royal du 11 octobre 2012 relatif à l'émission de covered bonds belges par des établissements de crédit de droit belge*) as amended by the Royal Decree of 27 January 2022 (see below), and as may be further amended from time to time, the "**Covered Bonds Royal Decree**");

- the Royal Decree of 11 October 2012 on the cover pool administrator in the context of the issuance of Belgian covered bonds by a Belgian credit institution *(Koninklijk Besluit van 11 oktober 2012 betreffende de portefeuillebeheerder in het kader van de uitgifte van Belgische covered bonds door een kredietinstelling naar Belgisch recht/Arrêté Royal du 11 octobre 2012 relatif au gestionnaire de portefeuille dans le cadre de l'émission de covered bonds belges par un établissement de crédit de droit belge*), as amended by the Royal Decree of 27 January 2022 (see below), as may be further amended from time to time, the "**Cover Pool Administrator Royal Decree**"); and

- the NBB Covered Bonds Regulation and the NBB Cover Pool Monitor Regulation (each as defined below).

At the end of 2019, the European Parliament and the Council finalised the legislative package on covered bond reforms made up of a new covered bond directive ("**Directive (EU) 2019/2162**") and a new regulation ("**Regulation (EU) 2019/2160**"), which entered into force on 7 January 2020 with the deadline for application of 8 July 2022 (both texts have relevance for the EEA and are to be implemented in due course in other countries in the EEA).

Directive (EU) 2019/2162 replaced Article 52(4) of the UCITS Directive and established a revised common base-line for issue of covered bonds for EU regulatory purposes (subject to various options that members states may choose to exercise when implementing the new directive through national laws).

The new regulation became directly applicable in the EU from 8 July 2022 and it amended Article 129 of Regulation 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms ("**CRR**") (and certain related provisions) and further strengthened the criteria for covered bonds that benefit from preferential capital treatment under the CRR regime. In addition, Directive (EU) 2019/2162 provides for permanent grandfathering with respect to certain requirements of the new regime for Article 52(4) UCITS Directive-compliant covered bonds issued before 8 July 2022 and includes an option for the EU member states to allow tap issues with respect to grandfathered covered bonds (for up to 24 months after 8 July 2022), provided such tap issues comply with certain prescribed requirements.

The Belgian Covered Bonds Regulations have recently been updated in order to transpose Directive (EU 2019/2162 and in order to take into account Regulation (EU) 2019/2160, through the following instruments:

- the Law of 26 November 2021 amending the Banking Law to, *inter alia*, transpose Directive (EU) 2019/2162 into Belgian law (the "**Law of 26 November 2021**");
- the Royal Decree of 27 January 2022 amending the Covered Bonds Royal Decree, the Cover Pool Administrator Royal Decree, the royal decree of 12 November 2012 concerning the undertakings for collective investment satisfying the conditions of Directive 2009/65/EC and the royal decree of 25 February 2017 concerning certain public alternative investment funds and their management companies, and containing diverse provisions (the "**Royal Decree of 27 January 2022**");
- the Regulation of the National Bank of Belgium (NBB_2022_15) regarding practical rules for the application of the law of 25 April 2014 establishing a legal framework for Belgian covered bonds dated 14 June 2022 (*Praktische regels voor de toepassing van de wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen zoals gewijzigd door de wet van 26 november 2021 met het oog op de omzetting van Richtlijn 2019/2162 betreffende de uitgifte van en het overheidstoezicht op gedekte obligaties/Modalités pratiques d'application de la loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit telle que modifiée par la loi du 26 novembre 2021 afin de transposer la directive 2019/2162 relative à l'émission et à la surveillance publique des obligations sécurisées*) as subsequently amended and/or supplemented (the "**NBB Covered Bonds Regulation**"); and
- the Regulation of the National Bank of Belgium (NBB_2022_16) addressed to the cover pool monitors of Belgian credit institutions that issue Belgian covered bonds dated 14 June 2022 *(Circulaire aan de portefeuillesurveillanten van kredietinstellingen naar Belgisch recht die Belgische covered bonds uitgeven/Circulaire aux surveillants de portefeuille auprès d'établissements de crédit de droit belge qui émettent des covered bonds belges*) as subsequently amended and/or supplemented (the "**NBB Cover Pool Monitor Regulation**").

The Belgian Covered Bonds Regulations contemplate a full on balance structure with a right of dual recourse for holders of covered bonds (an exclusive claim against the special estate (together with the cover pool creditors) and an unsecured claim against the general estate of the Issuer).

The transitory provisions of the updated legislation provide that covered bonds issued:

(a) prior to 8 July 2022; or

(b) under a programme for the issuance of covered bonds and with an ISIN opened prior to 8 July 2024 and which satisfy the following conditions:

  (i) the maturity date of the relevant covered bonds is before 8 July 2027;

  (ii) the total volume of issuance under the same programme after 8 July 2022 is not more than two times the volume of outstanding covered bonds on that date;

  (iii) the total volume of the issuance on the maturity date is not more than EUR 6,000,000,000; and

  (iv) the cover assets are situated in Belgium,

are until their maturity date subject to Articles 6, 80, 81 and 82 of the Banking Law, Articles 2, 3, 4, 6, 13 and 15 of Annex III to the Banking Law, Articles 3, 4, 5, 6, 7 and 8 of the Covered Bonds Royal Decree and Article 4, §1, 7° and 8° of the Cover Pool Administrator Royal Decree, as they applied prior to their amendment pursuant to the updated legislation.

For the remainder, the Belgian Covered Bonds Regulations, as recently amended, will apply to the aforementioned covered bonds under (a) and (b). This includes, without limitation, revised reporting requirements that the Issuer will have to comply with and which are in line with the requirements set out in Directive (EU) 2019/2162. As an exception, certain new provisions in relation to the composition of the cover assets, the inclusion of derivatives in the cover assets, requirements for the cover assets and provisions establishing the conditions under which issuing credit institutions may provide, in their terms of issue, for the implementation of extended maturity structures (Articles 1/2, 1/3, 2/1 and 13/1 of Annex III to the Banking Law) will not apply to the covered bonds mentioned under (a) and (b) above.

The provisions of the Belgian Covered Bonds Regulations that are relevant to the covered bonds issued under this Base Prospectus may be summarised as described in the sections below.

6.1.3 Belgian covered bonds and Belgian pandbrieven

Pursuant to Article 1, 1° of Annex III to the Banking Law, covered bonds are debt instruments which:

(a) are issued by a credit institution governed by Belgian law which is authorised to issue covered bonds;

(b) are included in the list of Belgian covered bonds, or are subject to a Belgian covered bond programme approved by the Supervisory Authority; and

(c) are secured by cover assets (*dekkingsactiva/actifs de couverture*).

Pursuant to Article 1, 3° of Annex III to the Banking Law, a *Belgian pandbrief/lettre de gage belge* is a Belgian covered bond of which the cover assets satisfy the conditions set on the basis of Article 2, §1 of Annex III to the Banking Law: in order to qualify as a *Belgian pandbrief/lettre de gage belge*, the composition and valuation of cover assets must guarantee that the Belgian covered bond satisfies the requirements to obtain a beneficial weight as included in Article 129 CRR. Based on the power granted to the King on the basis of Article 81, §4 of the Banking Law, the criteria to determine or clarify whether a Belgian covered bond complies with this regulation have been set out in the Covered Bonds Royal Decree.

Belgian covered bonds which comply with the requirements set out in the Covered Bonds Royal Decree may therefore be referred to as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*). The

Pandbrieven issued under the relevant Programme will comply with the requirements set out in the Covered Bonds Royal Decree and will therefore be deemed to comply with Article 129 of CRR. The Pandbrieven respect all the criteria of the Belgian pandbrieven in the Belgian Covered Bonds Regulations and therefore qualify as "European covered bonds (premium)" (*Europese gedekte obligaties (premium)/obligation garantie européenne (de qualité supérieure)*) in accordance with the Belgian Covered Bonds Regulations. The National Bank of Belgium publishes a list of Belgian pandbrieven qualifying as European covered bonds (premium), including the Pandbrieven on its website (www.nbb.be)[22].

6.1.4 Dual authorisation by the Supervisory Authority

A Belgian credit institution must be authorised by the Supervisory Authority, prior to being entitled to issue Belgian covered bonds. The authorisation of the Supervisory Authority comprises:

(a) a general authorisation to be requested in accordance with Article 80, §1 of the Banking Law in relation to the organisational capacity of the credit institution to issue Belgian covered bonds and to ensure appropriate follow-up (the "**General Authorisation**"); and

(b) a specific authorisation to be requested in accordance with Article 81, §1 of the Banking Law for each issue programme or particular issuance (if not issued under a programme), to ascertain whether such programme or issuance meets relevant legal requirements (the "**Specific Authorisation**").

On its website (i.e. www.nbb.be)[23], the Supervisory Authority will publish:

(a) a list of credit institutions that are authorised to issue Belgian covered bonds; and

(b) a list that specifies, per credit institution, the programmes (and the issuances thereunder) or issuances that have been authorised, and in which a distinction is made between covered bonds which meet the requirements defined in Article 6 of the Banking Law for a Belgian covered bond, a European covered bond and a European covered bond (premium) and covered bonds that do not meet such requirements.

6.1.4.1 General Authorisation

To obtain a General Authorisation, the credit institution must, among other things, provide information on its financial position, long-term strategy, tasks and responsibilities in relation to the issuance of Belgian covered bonds, risk management policy, internal audit, decision-making processes and reporting processes in relation to the issuance of Belgian covered bonds and IT systems. The financial position must demonstrate that the interests of its creditors other than the noteholders will be protected. The credit institution's statutory auditor must report to the Supervisory Authority on the credit institution's organisational capacity to issue Belgian covered bonds prior to and after the issuance of Belgian covered bonds.

The Supervisory Authority will only grant the General Authorisation to the extent that, on the basis of the information referred to above, it is satisfied:

(a) that the administrative and accounting organisation of the issuing credit institution allows it to operate in accordance with the Belgian Covered Bonds Regulations, in particular as regards its capacity to segregate the Cover Assets from its general estate;

(b) that the financial position of the issuing credit institution, specifically with respect to its solvency, is sufficient to safeguard the interests of its creditors, other than the noteholders and other creditors that are or can be identified in the issue conditions; and

(c) that the person who, within the effective management of the credit institution, is responsible for the issuance and administration of the Belgian covered bonds has the required expertise and is

[22] The information contained on the website of the National Bank of Belgium (www.nbb.be) does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA.

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sufficiently available to carry out this responsibility and provides the credit institution of the necessary resources to ensure the proper performance of the issuance and management of these covered bonds.

6.1.4.2 Specific Authorisation

To obtain a Specific Authorisation, the credit institution must, among other things, provide information on the impact of the issuance on the liquidity position of the issuing credit institution, the quality of the cover assets, the extent to which the maturity dates of the Belgian covered bonds coincide with those of the cover assets, the possible existence of an extendable maturity structure and the identification of the cover pool monitor which the credit institution proposes to appoint. The credit institution will also have to demonstrate that it continues to comply with the requirements of the General Authorisation and the cover pool monitor (*portefeuillesurveillant/surveillant de portefeuille*) will need to report to the Supervisory Authority (see Section 6.2.4) on the compliance by the issuing credit institution with the requirements of the Belgian Covered Bonds Regulations prior to and after the issuance of Belgian covered bonds.

The Supervisory Authority will only grant the Specific Authorisation to the extent that, on the basis of the above information, it is satisfied that the following conditions have been met:

(a) the issuing credit institution has obtained a General Authorisation;

(b) the Cover Assets meet the requirements of the Belgian Covered Bonds Regulations; and

(c) the issuing credit institution has an appropriate organisation in place to ensure the compliance with the legal and regulatory provisions regarding the issue of Belgian covered bonds (see Section 6.2.3.1).

6.2 Rules applicable to the special estate

6.2.1 Composition of the special estate

The estate of a credit institution that issues Belgian covered bonds is by operation of law split into a general estate and into specified special estates. There will be one special estate per authorised issue programme or stand-alone issuance, as the case may be.

The credit institution that issues Belgian covered bonds must maintain a register in which all Belgian covered bonds and the Cover Assets in relation to a special estate are registered (a "**Cover Register**").

A special estate includes by operation of law:

(a) all assets registered in a Cover Register in accordance with Article 15, §1, 1° of Annex III to the Banking Law (the "**Cover Assets**");

(b) all collateral (cash or financial instruments) received in relation to any derivative contracts that have been registered as Cover Assets;

(c) all security interests (*in rem* and *in personam*), guarantees or privileges under whichever form that have been granted in relation to the Cover Assets as well as rights under insurance policies and other contracts in relation to the Cover Assets or the management of the special estate;

(d) all sums that the relevant credit institution holds as a result of the recovery (reimbursement or payment) of Cover Assets or of the rights mentioned in (a) and (c) above for the account of the special estate or otherwise held for the special estate; and

(e) the mandatory reserves with the NBB to the extent that these are linked to the special estate.

In accordance with Article 3, §5 of the Covered Bonds Royal Decree, the issuing credit institution shall satisfy the requirement imposed by Article 208, fifth indent of CRR to have procedures in place to verify whether the relevant real estate is adequately insured against the risk of damages.

Pursuant to a revindication mechanism provided by Article 3, §2, second indent of Annex III to the Banking Law, if the issuing credit institution holds amounts as provided for in Article 3, § 2, first indent, 4° for the

account of a special estate, and these amounts cannot be identified in the general estate when the delivery of these assets is requested on behalf of the special estate, the ownership right in relation to these amounts that are part of the special estate will be transferred for a corresponding value to other unencumbered assets in the general estate of the issuing credit institution that will be selected by taking into account criteria specified in the terms and conditions of the relevant issuance (hereinafter referred to as the "issue conditions").

6.2.2 Allocation of the special estate

Each special estate is exclusively allocated to satisfy the obligations to the relevant noteholders and any other creditors that are specifically mentioned or can be identified based on the criteria set out in the relevant issue conditions. The latter category of creditors will generally include the various parties that are involved in the structuring and the management of the special estate and relevant Belgian covered bonds. These may include, *inter alia*, the noteholders' representative, the cover pool administrator, the cover pool monitor and relevant derivative contract counterparties.

The distribution or priority rules in relation to the obligations towards the noteholders and the obligations towards such other creditors of the relevant special estate must be determined in the issue conditions and in the agreements that are entered into in the framework of the relevant issue programme or issuance of Belgian covered bonds.

Creditors of the issuing credit institution (other than noteholders and creditors that are or can be identified in the issue conditions or the agreements that are entered into in the framework of the relevant issue programme or issuance of Belgian covered bonds) may not exercise any rights against or attach any assets of the special estate.

In the case of a liquidation of the special estate, the proceeds thereof will be allocated to the noteholders and the other creditors that are or can be identified in the issue conditions or the agreements that are entered into in the framework of the relevant issue programme or issuance of Belgian covered bonds in accordance with the priority of payments determined in the issue conditions.

6.2.3 Rules applicable to the Cover Assets

Prior to the issuance of Belgian covered bonds, the credit institution and cover pool monitor (see Section 6.2.4) must take all reasonable measures to ensure that the issuing credit institution meets the following requirements:

(a) the Cover Assets meet the qualitative requirements that apply to Cover Assets registered in the Cover Register and limits set out in the Belgian Covered Bonds Regulations (see Section 6.2.3.1);

(b) the Cover Assets meet the Cover Tests (see Section 6.2.3.2);

(c) the Cover Assets meet the Liquidity Test (see Section 6.2.3.5);

(d) the Cover Register and the correct registration of Cover Assets therein meet the requirements set out in the Belgian Covered Bonds Regulations (see Section 6.2.3.6).

Furthermore, the credit institution must establish risk management policies in relation to the Cover Assets (see Section 6.2.3.4).

The issuing credit institution, its statutory auditor and the cover pool monitor will have ongoing obligations to provide to the Supervisory Authority periodic information on compliance with the Belgian Covered Bonds Regulations.

6.2.3.1 Types of eligible assets

A special estate may be composed of assets falling within any of the following four categories: residential mortgage loans ("**category 1**"), commercial mortgage loans ("**category 2**"), public sector exposures ("**category 3**") and exposures to credit institutions ("**category 4**").

(a) Mortgage Loans

A special estate may include residential mortgage loans or commercial mortgage loans:

(i) Residential mortgage loans (category 1): mortgage receivables secured by a mortgage on Residential Real Estate located in the European Economic Area ("**EEA**") up to the lower of (i) the principal amount of the corresponding mortgages and (ii) 80 per cent. of the value of the relevant Residential Real Estate. Mortgage receivables relating to Residential Real Estate under construction or in development can only be included in the special estate if they do not represent more than 15 per cent. of all the residential mortgage loans included in the special estate.

(ii) Commercial mortgage loans (category 2): mortgage receivables secured by a mortgage on Commercial Real Estate located in the EEA up to a value which is the lower of (i) the principal amount of the corresponding mortgages (together with all previously granted mortgages) and (ii) 60 per cent. of the value of the relevant Commercial Real Estate. Mortgage receivables relating to Commercial Real Estate under construction or in development may not be included in the special estate.

In order to qualify for residential and commercial mortgage loans, the credit institution must be the beneficiary of a first-ranking mortgage.

"**Residential Real Estate**" is real property that is destined for housing or for leasing (*huur/location*) housing by the owner.

"**Commercial Real Estate**" is real property that is primarily used for industrial or commercial purposes or for other professional activities, such as offices or other premises intended for the exercise of a commercial or services activity.

Pursuant to the Belgian Covered Bonds Regulations, a residential mortgage loan which is partly secured by a mortgage mandate may be included in the Special Estate. Subject to certain valuation rules (see Section 6.2.3.3), (a portion of) the amounts secured by the mortgage mandate may be taken into account for purposes of the Cover Tests.

Investors should be aware that such mortgage mandate will only provide a security interest giving preference over other creditors once the mandate has been exercised and a mortgage has been registered. Prior to such exercise, third parties acting in good faith may register prior-ranking mortgages.

Once a mandate is exercised by the relevant agents (*mandaathouders/titulaires de mandat*) in accordance with the terms of the mandate, the ensuing mortgage will rank at the highest level available at the time of registration of such mortgage. To the extent that the mortgage secures any other loans made by Belfius Bank to the same grantor, the proceeds of any enforcement will in principal be shared *pro rata* among the various loans (including any such loans that are still with the general estate) (see also MP Condition 7(c)).

(b) Public sector exposures (category 3): receivables on or guaranteed by, (i) a central government or central bank of a member state of the Organisation for Economic Cooperation and Development ("**OECD**"), or by a regional or local government of those member states, (ii) a public entity of an OECD member state, or (iii) a multilateral development bank or international organisation that obtains a 0 per cent. risk weight in accordance with Articles 117 and 118 CRR.

When the counterparties to the claims referred to under (i) and (ii) are not members of the EU or, in the case of central banks, not members of the European System of Central Banks (ESCB), only those claims are eligible which:

(i) in the case of counterparties referred to in point (i), belong to credit quality step 1 or 2 as determined in accordance with Article 136 CRR;

(ii) in the case of counterparties referred to in point (ii), have the same risk weight as exposures in relation to institutions or central governments, and central banks in accordance with, respectively, Article 115(1) or (2) or with Article 116(1), (2) or (4) CRR and belong to credit quality step 1 or 2 as determined in accordance with Article 136 CRR,

provided that claims on counterparties belonging to credit quality step 2 may not exceed 20 per cent. of the nominal amount of all outstanding Belgian covered bonds concerned;

(c) Exposures to credit institutions (category 4): claims against credit institutions of an OECD member state and which belong to credit quality steps 1 or 2 as established under Article 136 CRR, where those claims take the form of:

(i) short-term claims having a maturity of 3 months or less, or short-term deposits with an original maturity of up to 100 days, where they are used to meet the liquidity requirement for the Special Estate, as set out in Article 7, paragraph 1 of the Covered Bonds Royal Decree; or

(ii) derivative contracts that comply with the requirements set out in Article 4 of the Covered Bonds Royal Decree.

The claims on credit institutions belonging to credit quality step 2 may only be used as Cover Assets up to 10 per cent. of the nominal amount of the relevant outstanding Belgian covered bonds.

The total value of claims on credit institutions belonging to the credit quality steps 1 or 2 shall not exceed 15 per cent. of the nominal amount of the relevant outstanding Belgian covered bonds.

Amounts paid as reimbursement, collection or payment of interest on claims or assets included in the special estate as part of the relevant categories may be taken into account as Cover Assets that are a part of their respective category.

At the time an asset is registered as a Cover Asset in the Cover Register, such asset may not be subject to a payment default in the sense of Article 178 CRR (Article 3, §6 of the Covered Bonds Royal Decree).

6.2.3.2 Cover Tests

At the time of the issuance and as long as any Belgian covered bonds remain outstanding, the issuing credit institution must, in respect of each special estate, meet the following cover tests:

(a) the value of the assets falling within one of the categories 1, 2 and 3, i.e. the "**Primary Assets**", must represent at least 85 per cent. of the principal amount of the Belgian covered bonds outstanding (the "**85 per cent. Asset Coverage Test**"). As a result, three general types of Belgian covered bond programmes can be distinguished on the basis of their main underlying asset class: (i) residential mortgage loans; (ii) commercial mortgage loans; or (iii) public sector exposures.

(b) the value of the Cover Assets must provide an excess cover such that their value exceeds the outstanding principal amount of the Belgian covered bonds. Per special estate, the value of the Cover Assets must represent at least 105 per cent. of the outstanding principal amount of the issued Belgian covered bonds (the "**Over-Collateralisation Test**"). The value of the principal amount of the Cover Assets can only be taken into account for the purpose of the Over-Collateralisation Test if they are not otherwise taken into account to satisfy other obligations than the payment of principal on the Belgian covered bonds for the purpose of the Amortisation Test (as defined below). As a result, the outstanding principal amount of the issued Belgian covered bonds must at all times be over-collateralised by at least 5 per cent.; and

(c) the Cover Assets must, during the entire duration of the relevant Belgian covered bonds, provide a sufficient cover for (i) the payment of principal and interest on the Belgian covered bonds, (ii) the obligations towards other creditors that are or can be identified in the issue conditions and (iii) the maintenance and management of the special estate (including the costs of winding down the

issuance programme). For each special estate, the sum of interest, principal and all other revenues generated by the Cover Assets must be sufficient to cover the sum of all interest, principal and charges of the Belgian covered bonds (the "**Amortisation Test**").

To determine the extent to which the principal amount of the cover assets is included in the calculation referred to above, the eligibility criteria set out in Article 3 of the Covered Bonds Royal Decree shall be taken into account in accordance with Article 5, §3, first indent of the Covered Bonds Royal Decree.

The interest generated by the Cover Assets are calculated, and the costs for maintenance and management, are calculated and estimated in accordance with Article 5, §3, second and third indent of the Covered Bonds Royal Decree.

The 85 per cent. Asset Coverage Test, the Over-Collateralisation Test and the Amortisation Test are hereinafter jointly referred to as the "**Cover Tests**".

6.2.3.3 Cover assets valuation methodology

For the purpose of the Cover Tests, the value of the Cover Assets of each category is determined as follows:

(a) **Residential mortgage loans**: the lesser of (i) the outstanding loan amount, (ii) 80 per cent. of the market value of the Residential Real Estate and (iii) the value of the mortgage.

If the Residential Real Estate over which a mortgage has been created is located in Belgium, the value of the mortgage in respect of a residential mortgage loan will be equal to the amount of the mortgage registration in first rank, plus any amounts of mortgages in subsequent ranks (provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*)).

If the mortgage is supplemented with a mortgage mandate, the value of the mortgage will be equal to the lesser of (a) the sum of the amount of the mortgage registration in first rank, plus any amounts of mortgages in sequentially lower ranks (provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*)) and the amount for which a mortgage mandate has been granted and (b) the amount of the mortgage registration in first rank, plus the amount of any mortgage in sequentially lower ranks (provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*)), divided by 0.6.

If the Residential Real Estate over which the mortgage has been created is located outside Belgium, the value of the mortgage in respect of such residential mortgage loan will be equal to the amount of the mortgage registration in first rank, plus the amount of any mortgages in sequentially lower ranks (provided that there are no other creditors with prior-ranking mortgage rights *(zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*)). Mortgage mandates are not taken into consideration.

Residential Real Estate may only be taken into consideration for purposes of the valuation calculations of the Cover Assets if the requirements set out in Article 208 CRR are fulfilled, including the requirements that the valuation of the Residential Real Estate is frequently, and at least annually, verified and that the issuing credit institution has procedures in place to verify that the property in question is adequately insured against the risk of loss.

(b) **Commercial mortgage loans**: the lesser of (i) the outstanding loan amount, (ii) 60 per cent. of the sales value of the commercial real estate and (iii) the value of the mortgage.

The value of the mortgage in respect of a commercial mortgage loan equals the amount of the mortgage registration in first rank, accrued (if applicable) with the amount of the mortgages in

sequentially lower ranks (provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*)). Mortgage mandates are not taken into consideration.

Commercial real estate may only be taken into consideration for purposes of the valuation calculations if the eligibility requirements that apply to residential mortgage loans have been met.

(c) **Public sector exposures**: To the extent that the counterparty is a member of the European Union, the value is equal to the book value in the books of the issuing credit institution (or limited to the amount guaranteed by the relevant entities).

(d) **Derivative contracts:** for the calculation of the requirements of the 85 per cent. Asset Coverage Test and the Over-Collateralisation Test, derivative contracts shall be valued on the basis of the amount due at the termination of the derivative contract (close-out amount).

(e) **Exposure to credit institutions**: the value will be equal to the amount at which the assets are registered in the accounting statements of the issuing credit institution.

No assets that are in payment default in the sense of Article 178 CRR, may be registered in the special estate (Article 3, §6 of the Covered Bonds Royal Decree).

In any event, the value of an asset that is in payment default in the sense of Article 178 CRR is zero. The value of an asset that is 30 days past due and less than 90 days past due will only be taken into account for 50 per cent. of the value as set out above.

6.2.3.4 Risk Management

The issuing credit institution must establish risk management policies and perform a stress test on a quarterly basis in order to guarantee that the liquidity flows generated by the Cover Assets per special estate remain sufficient to satisfy the requirements of the Cover Tests and the Liquidity Test and/or, as the case may be, must possess other assets that can be used quickly as cover asset in order to provide relevant coverage.

The stress tests do at least need to take into account:

(a) sudden and unexpected interest rate or exchange rate movements;

(b) scenarios with different levels of percentages of early prepayment of cover assets; and

(c) scenarios with material deterioration of the credit quality of the cover assets.

6.2.3.5 Liquidity Test

Each special estate must contain sufficient liquid and available Cover Assets to provide a liquidity buffer in order to enable the issuing credit institution to cover at all times the net liquidity outflows of the relevant issue or the relevant issuance programme at any time, and the maximum amount of the sum of the net liquidity outflows calculated over a six month period (the "**Liquidity Test**"). Where an extended final maturity is specified for a an issue of covered bonds, the principal amount of such covered bonds to be taken into account for the purpose of the calculation of the net liquidity outflow can be based on the extended final maturity as stipulated in the issue conditions.

Liquid assets that can be used for the purpose of the Liquidity Test are, in accordance with Article 7 of the Covered Bonds Royal Decree:

(a) Cover Assets satisfying the requirements of assets of level 1 in accordance with Commission Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions, that are valued in accordance with this Commission Delegated Regulation and which are not issued by the Issuer;

(b) Short term exposures and short term deposits as set out in Article 3 §1, 4°, a) of the Covered Bonds Royal Decree.

If an issuing credit institution fails to meet the requirements of the Liquidity Test, it will have to take the necessary redress measures to meet the relevant requirements. As long as an issuing credit institution has not taken the necessary redress measures, it is not allowed to issue new Belgian covered bonds (under a programme or on a stand-alone basis).

6.2.3.6 The Cover Register

As from their registration in a Cover Register, the assets listed in Article 1/2 of Annex III to the Banking Law, including the derivative contracts, that are part of the relevant special estate, constitute the Cover Assets. Such registration and allocation to the Cover Assets is valid and enforceable against third parties.

The amounts that are paid by way of repayment, recovery or payment of interests on claims or assets included in the special estate, may be applied as Cover Assets that form part of their respective category and are registered in the Cover Register, until the point at which such amounts are used for other purposes.

Upon their removal from the Cover Register, the assets or the derivative contracts will no longer constitute Cover Assets. Such deregistration is valid and enforceable towards third parties.

The Cover Register must at least contain the following information:

(a) the characteristics per series of issued Belgian covered bonds, including their nominal value, maturity date and interest rate(s); and

(b) the characteristics of assets that constitute the Cover Assets, including the category, the type of contract, the nominal value, the currency, the issue date or origination date and the maturity date of the assets, the date of registration in the Cover Register, the identity of the counterparties, information regarding redemption, interest rates, guarantees and the value of the assets.

If any of the above characteristics of an asset changes, this must be reflected in the Cover Register as soon as possible.

The assets, derivative contracts and the outstanding debt instruments that are part of the special estate must be registered in accordance with the following principles:

(a) the Cover Assets, which are registered in the Cover Register, must at all times be identifiable in the accounts and systems of the issuing credit institution;

(b) each transaction regarding Cover Assets must be immediately registered in the Cover Register and at the latest on the same day by close of business;

(c) each registration in and/or amendment to the Cover Register must be traceable;

(d) the issuing credit institution must be able to copy the content of the Cover Register at all times; and

(e) at the end of each month, the content of the Cover Register must be copied to a durable medium and kept for a period of 5 years after the maturity date of the Belgian covered bonds. The standard procedures of the issuing credit institution for back-up and archiving can be used to this end, provided that the relevant storage method is acceptable to the statutory auditor, the cover pool monitor and the Supervisory Authority.

Protective measures must be taken to prevent unauthorised persons from making modifications to the Cover Register, or to prevent damages to or destruction of the Cover Register. To this end, the issuing credit institution must keep an updated (back-up) copy of the Cover Register in another location. Both the register and the back-up shall be kept in electronic form.

6.2.3.7 Sanctions in case of breach

If the issuing credit institution is (and remains) unable to meet the requirements which apply to it as issuing credit institution of Belgian covered bonds, the Supervisory Authority can grant a grace period during which this situation must be resolved. If the situation is not resolved after expiry of this grace period, the Supervisory Authority, or, where appropriate, the ECB at the request of the Supervisory Authority, may

revoke the General Authorisation or one or more Specific Authorisations. For so long as the issuing credit institution is in breach of the Liquidity Test or Cover Test, it shall not be allowed to issue new Belgian covered bonds, regardless of the granting of any grace period by the Supervisory Authority. In cases of extreme urgency or if the seriousness of the facts justifies such action, the Supervisory Authority or the ECB may proceed with a deregistration without setting a grace period.

A deregistration will be notified by the Supervisory Authority to the European Commission and the European Banking Authority. As a result of this deregistration, the issuer will no longer be entitled to issue Belgian covered bonds. In case it wishes to issue new Belgian covered bonds, the issuing credit institution will again have to comply with all requirements in order to be registered. A deregistration does not affect the holders of outstanding Belgian covered bonds.

The Supervisory Authority can also publish warnings to indicate that a credit institution has failed to comply with the Supervisory Authority's requests to meet the requirements of the Belgian Covered Bonds Regulations within a specified grace period. In addition, as part of its general supervisory function under the Banking Law, the Supervisory Authority can – after hearing or inviting the issuing credit institution for a hearing – impose a fine of maximum EUR 2,500,000 per breach or EUR 50,000 per day of non-compliance. The Supervisory Authority has the power to impose administrative penalties on issuing credit institutions. Such administrative penalties may range from EUR 10,000 to 10 per cent. of the credit institution's annual net turnover of the past financial year (see Section 6.3.5 (*The Supervisory Authority*)).

6.2.4 Cover pool monitor

For each issue programme or (as the case may be) stand-alone issuance, the issuing credit institution must appoint a cover pool monitor (*portefeuillesurveillant/surveillant de portefeuille*) approved by the Supervisory Authority. The cover pool monitor must be an auditor who is not the statutory auditor of the issuing credit institution. The cover pool monitor will issue periodic reports to the NBB on the issuing credit institution's compliance with the legal and regulatory framework applicable to Belgian covered bonds.

(a) Prior to the first issuance of Belgian covered bonds

Prior to the issuance of Belgian covered bonds, the cover pool monitor must verify whether the issuing credit institution meets the requirements listed in Section 6.2.3. It is the responsibility of the cover pool monitor to determine the procedures that must be observed to that effect. The Supervisory Authority can also request that the cover pool monitor performs other tasks and verifications.

(b) Following the issuance of Belgian covered bonds

Following the first issuance of Belgian covered bonds, the cover pool monitor must verify, at least once a year whether the issuing credit institution complies with the requirements set out in Section 6.2.3. If the issuing credit institution does not comply with such requirements, the cover pool monitor must immediately inform the Supervisory Authority and the issuing credit institution.

Furthermore, the cover pool monitor must verify at least once a month whether the Cover Tests, the Liquidity Test and the requirements in relation to the Cover Register are met. The cover pool monitor must immediately inform the Supervisory Authority if the issuing credit institution no longer satisfies such requirements.

6.2.5 Cover pool administrator

6.2.5.1 Appointment

The Belgian Covered Bonds Regulations provide that, in certain circumstances of distress (as described in more detail in the paragraph below), the Supervisory Authority may replace the management of a special estate by entrusting it to a cover pool administrator.

The Supervisory Authority may appoint a cover pool administrator (*portefeuillebeheerder*/*gestionnaire de portefeuille*) in the following circumstances:

(a) upon the adoption of a measure or sanction as provided for under Article 8, §1, 1° of Annex III to the Banking Law against the issuing credit institution if, in the opinion of the Supervisory Authority, such measure or sanction and/or the reasons for it may prejudice the rights of the holders of the Belgian covered bonds and/or of any third parties who may have a claim on the special estate;

(b) upon the initiation of winding-up proceedings (*liquidatieprocedure/procédure de liquidation*) against the issuing credit institution;

(c) upon the withdrawal of the General Authorisation and/or Specific Authorisation(s); or

(d) where the Supervisory Authority is of the opinion that the assessment of the situation of the issuing credit institution is such that it may seriously affect (*ernstig in gevaar kan brengen/de nature à mettre gravement en péril*) the interest of the Belgian covered bondholders.

To be appointed as cover pool administrator, the candidate will have to demonstrate that it has the necessary experience, professionalism and organisation to carry out its tasks. Credit institutions established in the European Economic Area which are licensed to issue covered bonds with respect to similar assets or manage portfolios of mortgage loans or other assets which qualify as cover assets, are deemed to satisfy such criteria.

Following its appointment, the cover pool administrator is legally entrusted with all powers that are necessary for the management of the special estate, including the power to dispose of cover assets and to extend maturities. Its remit is to ensure that the obligations towards the noteholders and the other creditors that are, or can be, identified on the basis of the issue conditions are complied with.

6.2.5.2 Cover Pool Administrator Royal Decree

The Cover Pool Administrator Royal Decree specifies the tasks of the cover pool administrator. These include, among other things, the payment of interest and principal on the covered bonds, collection of moneys from the Cover Assets (including any enforcement), entering into relevant derivative contracts, carrying out of certain administrative tasks and extension of maturities.

The cover pool administrator will also have to test compliance with the Cover Tests and inform the Supervisory Authority and the noteholders' representative thereof. In case it sells any assets, it will have to ensure that this is done at the best possible market conditions. The consent of the Supervisory Authority and the noteholders' representative will be required for any transaction (including a sale of any cover assets) if as a result the Cover Tests, the Liquidity Test or contractual provisions would no longer be met or if there is a risk that these would no longer be met.

The Royal Decree further specifies that the cover pool administrator will be required to consult with the noteholders' representative in circumstances where, following an insolvency of the credit institution and with the consent of the Supervisory Authority, it deems it necessary to liquidate the Special Estate and redeem the covered bonds because it is of the view that the cover assets are no longer sufficient to cover the obligations under the covered bonds. Such consultation with the noteholders' representative will in particular be required if the Cover Tests and/or the Liquidity Test are no longer met.

6.3 Specific rules applicable to the Belgian covered bonds

6.3.1 Representation of the noteholders

The issue conditions can (and are generally expected to) provide that the noteholders will be represented by a representative. The representative may be appointed by the issuing credit institution. Thereafter, a representative may be appointed by the general meeting of noteholders in accordance with the issue conditions.

The representative may be dismissed by the noteholders at a general meeting, subject to appointing one or more (new) representatives by simple majority of votes, in replacement thereof.

The representative may represent and bind the noteholders within the boundaries of the powers that are assigned to it (as may be specified in the relevant issue conditions or the appointment decision). The noteholders must be consulted on any decision relating to the liquidation of the special estate upon initiation of bankruptcy proceedings against the issuing credit institution (see below).

The representative of the noteholders can also represent other creditors of the same special estate, provided that:

(a) the relevant creditor agrees with such representation; and

(b) the issue conditions of the relevant Belgian covered bonds contain appropriate rules to deal with potential conflicts of interest.

The representative must perform its duties in the sole interest of the noteholders and, as the case may be, the interest of the other creditors that it represents. Furthermore, it must give account of its performance as may be required by the terms of the issue conditions or the appointment decision.

6.3.2 Limitation of the amount of Belgian covered bonds

Based on Article 10 of the Covered Bonds Royal Decree, an issuing credit institution may no longer issue further Belgian covered bonds if the amount of cover assets exceeds 8 per cent. of the issuing credit institution's total assets. The Supervisory Authority can specify which assets are to be taken into account for the purpose of calculating this 8 per cent. limit and how such assets should be valued.

The prior consent for an exception can only be granted by the Supervisory Authority:

(a) on a temporary basis, in case of exceptional circumstances having consequences for the issuing institution and that necessitate an increased utilisation of Belgian covered bonds as a funding tool;

(b) in case other instruments of the issuing credit institution provide sufficient protection to reach the threshold of 8 per cent. of total liabilities, including own funds, as referred to in Article 255, §6,3° of the Banking Law or in Article 27, 7th indent, sub a of the Regulation (EU) 806/2014 of the European Parliament and the Council of 15 July 2014 of the establishment of uniform rules for the resolution of credit institutions and certain investment firms within the framework of a common resolution mechanism and a common resolution fund. In such case the 8 per cent. limit does not apply. The Issuer has applied for this exception which was granted by the Supervisory Authority. Therefore, the 8 per cent. limit no longer applies to the Pandbrieven.

Further, Article 10 of the Covered Bonds Royal Decree provides that the Supervisory Authority may request that a credit institution that issues Belgian covered bonds limits the issue volume of Belgian covered bonds in order to protect the credit institution's other creditors. The Supervisory Authority will assess the need to establish such an issue limit, including by analysing criteria showing that creditors of the credit institution other than holders of Belgian covered bonds should be protected. At a minimum, the following criteria will be taken into account by the Supervisory Authority in its assessment:

(a) other instruments of the issuing credit institution must provide sufficient protection to reach the threshold of 8 per cent. of the total liabilities, including own funds, as referred to in Article 255, §6, 3° of the Credit Institutions Supervision Law or in Article 27, 7th indent, sub a of Regulation (EU) 806/2014; and

(b) compliance with existing indicators for encumbered assets:

  (i) if the issuing credit institution exceeds a "flashing light" threshold (*knipperlichtdrempelwaarde/seuil clignotant*) for encumbered assets at the individual level in the narrow or broad sense as stated in the Communication of the NBB (NBB_2016_34) dated 18 July 2016, the credit institution will have to regulate itself

within a certain period of time; in the absence of this, the NBB may impose an issue limit for covered bonds;

(ii) if the issuing credit institution exceeds a recovery plan threshold (*herstelplandrempelwaarde/seuil de plan de redressement*) for the encumbered assets at individual level in the narrow or broad sense, the NBB will impose a covered bond issue limit.

As of 1 January 2024, Article 10 of the Covered Bond Royal Decree shall no longer include such issuance limit of 8 per cent. and will only retain the possibility for the Supervisory Authority to limit the volume of its issue of Belgian covered bonds in order to protect the creditors of the credit institution other than the holders of Belgian covered bonds.

6.3.3 Subscription of own Belgian covered bonds

The issuing credit institution may subscribe to or invest in its own Belgian covered bonds. However, to the extent that these Belgian covered bonds are held by the issuing credit institution, such credit institution will not be able to exercise the rights set out in Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations (to the extent applicable) or similar rights set out in the articles of association of the issuing credit institution or in the issue conditions, unless otherwise provided in the issue conditions.

6.3.4 Conditions to issuance of Belgian covered bonds

As set out in Section 6.1.4, an Issuer can only issue Belgian covered bonds after having obtained a general license from the Supervisory Authority authorising it to issue covered bonds as well as a specific license in relation to the programme (or stand alone issue, as the case may be).

Subsequently, an Issuer may be restricted from issuing further Belgian covered bonds in certain circumstances. In particular, this could be the case if the Supervisory Authority removes the Issuer from the list of Belgian covered bond issuers and revokes its license (see Section 6.2.3.7) or if the Supervisory Authority imposes a certain limit on the aggregate amount of Belgian pandbrieven that can be issued and the Issuer would exceed such limit with a new issue (see Section 6.3.2). Moreover, if the Issuer fails to meet the Statutory Tests, it will be prevented from further issuing Belgian covered bonds (see Section 6.2.3.5).

6.3.5 The Supervisory Authority

The NBB is responsible for supervising compliance with the Belgian Covered Bonds Regulations by issuing credit institutions.

As noted above, a Belgian credit institution requires a General Authorisation and a Specific Authorisation from the Supervisory Authority to issue Belgian covered bonds. The prior authorisations of the Supervisory Authority relate to, (a) the organisational capacity of the credit institution to issue Belgian covered bonds and to provide the follow up, and (b) whether a particular issue or issue programme complies with the legal requirements.

The appointment of the cover pool monitor must be approved by the Supervisory Authority and the Supervisory Authority appoints the cover pool administrator.

The Supervisory Authority has an important role in the administration of the Belgian Covered Bonds Regulations. For instance the Supervisory Authority:

(a) determines the policy in relation to the Belgian Covered Bonds Regulations and can amend the regulations of the Supervisory Authority in relation to Belgian covered bonds;

(b) gives guidance under the Belgian Covered Bonds Regulations;

(c) maintains a register of issuers and Belgian covered bonds regulated under the Belgian Covered Bonds Regulations;

(d) will undertake an on-going supervisory role with respect to Belgian covered bond issuers; and

(e) has the power to give directions and impose sanctions.

The issuing credit institution and the cover pool monitor have ongoing obligations to provide to the Supervisory Authority periodic information on compliance with the Belgian Covered Bonds Regulations and to inform the Supervisory Authority if the Cover Tests and the Liquidity Test will not, or are not likely to, be met.

The issuing credit institution needs to periodically demonstrate to the Supervisory Authority that the issued Belgian covered bonds continue to satisfy the requirements imposed by the Belgian Covered Bonds Regulations, in particular, by reporting on:

(a) compliance with the requirements regarding the eligibility criteria of the cover assets and the composition of the special estate;

(b) valuation of the cover assets, the compliance with the coverage requirements, the liquidity requirements and the requirements relating to the extendable maturity structures, in particular by reporting on the results of the stress tests in relation to the coverage and liquidity requirements;

(c) compliance with asset segregation requirements, in particular compliance with asset registration requirements;

(d) credit, foreign exchange, liquidity and interest rate risk; and

(e) performance of the tasks of the cover pool monitor.

The issuing credit institution needs to demonstrate to the Supervisory Authority, whenever significant changes are proposed to be made to the Belgian covered bonds, the issuance programme or the related legal documentation, that the Belgian covered bonds continue to comply with the requirements to obtain the General Authorisation and Specific Authorisation;

If applicable, the issuing credit institution needs to take measures to limit interest rate and exchange rate risk. To this effect, the issuing credit institutions must establish a risk policy in order to ensure that in the event of (i) brutal interest rate or exchange rate movements, (ii) significant deterioration in the credit quality of the Cover Assets or (iii) different levels of prepayment rates for the Cover Assets (as further specified in Article 8 of the NBB Covered Bonds Regulations), the liquidity flows generated by the Cover Assets are sufficient to satisfy the Cover Tests and the Liquidity Test.

If the issuing credit institution is (and remains) unable to meet the requirements which apply to it as issuing credit institution of Belgian covered bonds, the Supervisory Authority can grant a grace period during which this situation must be resolved. If the situation is not resolved after expiry of this grace period, the Supervisory Authority, or, where appropriate, the ECB at the request of the Supervisory Authority, may revoke the General Authorisation or one or more Specific Authorisations. For so long as the issuing credit institution is in breach of the Liquidity Test or Cover Test, it shall not be allowed to issue new Belgian covered bonds, regardless of the granting of any grace period by the Supervisory Authority. In cases of extreme urgency or if the seriousness of the facts justifies such action, the Supervisory Authority or the ECB may proceed with a deregistration without setting a grace period.

A deregistration will be notified by the Supervisory Authority to the European Commission and the European Banking Authority. As a result of this deregistration, the issuer will no longer be entitled to issue Belgian covered bonds. In case it wishes to issue new Belgian covered bonds, the issuing credit institution will again have to comply with all requirements in order to be registered. A deregistration does not affect the holders of outstanding Belgian covered bonds.

The Supervisory Authority can also publish warnings to indicate that a credit institution has failed to comply with the Supervisory Authority's requests to meet the requirements of the Belgian Covered Bonds

Regulations within a specified grace period. In addition, as part of its general supervisory function under the Banking Law, the Supervisory Authority can – after hearing or inviting the issuing credit institution for a hearing – impose a fine of maximum EUR 2,500,000 per breach or EUR 50,000 per day of non-compliance.

The Supervisory Authority has the power to impose administrative penalties on issuing credit institutions. Such administrative penalties may range from EUR 10,000 to 10 per cent. of the credit institution's annual net turnover of the past financial year.

6.4 Status and protection of the noteholders

6.4.1 Dual recourse

The holders of Belgian covered bonds benefit from a dual recourse against (i) the general estate, on the one hand, and (ii) the relevant special estate of the issuing credit institution, on the other hand. The noteholders rank *pari passu* among themselves (together with any other creditor specified in the issue conditions) and have exclusive claims with respect to the assets that form the special estate. With respect to other assets (i.e., assets of the general estate) of the issuing credit institution, noteholders rank *pari passu* with unsecured and unsubordinated creditors of the issuing credit institution.

In a going concern, the expectation is that all payments falling due under the Belgian covered bonds will be satisfied out of the general estate. Following the opening of a liquidation procedure in respect of the Issuer, payments will be made by the special estate.

6.4.2 Opening of bankruptcy proceedings

6.4.2.1 Protection of the special estate

If bankruptcy proceedings are opened against a credit institution that has issued Belgian covered bonds, such bankruptcy proceedings will be limited to the general estate of the credit institution. The special estate(s) (including its debts, obligations and Cover Assets) will not fall within the bankrupt estate of the credit institution and will be treated separately. Moreover, the bankruptcy proceedings do not cause the obligations and debts of the special estate to become due and payable. The bankruptcy administrator has a legal obligation to cooperate with the Supervisory Authority and the cover pool administrator in order to enable them to manage the special estate in accordance with the Belgian Covered Bonds Regulations.

In addition, upon a bankruptcy or liquidation of a credit institution, all sums and payments relating to the assets constituting the special estate that are collected by or for the behalf of a special estate are, by operation of law, automatically excluded from the bankruptcy estate and exclusively allocated to the relevant special estate. Moreover, creditors of the credit institution’s general estate cannot exercise any recourse against, nor attach any assets that fall within, the relevant special estate.

A special mechanism has been created to protect cash held by the issuing credit institution on behalf of the relevant special estate. Pursuant to this mechanism, the ownership rights of the relevant special estate as regarding cash that cannot be identified in the general estate will be transferred to unencumbered assets of the general estate that will be selected by taking into account criteria specified in the issue conditions. These mechanics aim to reduce the commingling risk that would arise if the bank accounts of the special estate are held with the issuer of the covered bonds.

The aim is for the Belgian covered bonds to remain outstanding until their stated maturity, notwithstanding a bankruptcy of the issuing credit institution or a subsequent transfer of the relevant special estate to another institution.

6.4.2.2 Liquidation of a special estate in specific circumstances

Notwithstanding the above, the cover pool administrator may, in the case of bankruptcy proceedings and subject to consultation with the noteholders' representative and approval of the Supervisory Authority, transfer the relevant special estate (assets and liabilities) and its management to an institution which will be entrusted with performing obligations to the noteholders in accordance with the issue conditions.

In addition, the cover pool administrator may in certain circumstances proceed with the liquidation of the relevant special estate and with the early repayment of the Belgian covered bonds. This is, however, only possible if, following the opening of bankruptcy proceedings against the issuing credit institution:

(a) the cover pool administrator is of the opinion that the relevant Cover Assets are not sufficient to satisfy the obligations under the Belgian covered bonds (subject to the approval by the Supervisory Authority and consultation of the relevant noteholders' representative (which shall be required in case of breach of the Cover Tests or the Liquidity Test)); or

(b) a decision is taken to this effect by majority vote at a noteholders' meeting at which at least two thirds of the outstanding principal amount of Belgian covered bonds is represented.

In case the relevant special estate is liquidated, the positive balance (if any) will automatically fall within the general estate. This means that Cover Assets that are part of the relevant special estate only return to the general estate once all Belgian covered bonds have been repaid in full. However, on the initiation of bankruptcy proceedings against the issuing credit institution, the bankruptcy administrator is entitled, after consultation with the Supervisory Authority, to require that assets which are with certainty no longer necessary as Cover Assets, be re-transferred to the general estate.

6.4.3 Transfer of a special estate

A Special Estate could be transferred to a third party, either (i) by way of a resolution measure (*afwikkelingsinstrument*/*instrument de résolution*) provided for under Book II, Title VIII of the Banking Law in accordance with Article 6/1 of Annex III to the Banking Law, or (ii) following the commencement of bankruptcy proceedings or recovery measures, if the relevant Cover Pool Administrator decides to transfer in accordance with Article 11, 5° of Annex III to the Banking Law. The Banking Law provides that, in the case of such a transfer, the rights of the relevant noteholders against the relevant special estate will be maintained and will follow the relevant special estate.

SECTION 7
USE OF PROCEEDS

The net proceeds from the Pandbrieven to be issued under each Programme (including N Bonds) will be used by the Issuer for its general corporate purposes.

If, in respect of any particular issuance of Pandbrieven, there is a particular identified use of proceeds, this will be stated in the applicable MP Final Terms or PP Final Terms. In particular, the Issuer may issue such Pandbrieven under each Programme where the applicable MP Final Terms or PP Final Terms specify that, in the case of "green bonds", an amount equivalent to the net proceeds of the issue of such Pandbrieven is intended to be applied to finance and/or refinance over a certain period of time, in whole or in part, loans and investments realised by the Issuer to finance projects and/or assets (the "**Eligible Green Assets**"), as specified in the applicable MP Final Terms or PP Final Terms and as defined under the Issuer's green bond framework (as amended and/or supplemented from time to time, the "**Green Bond Framework**"), such Pandbrieven being referred to as "**Green Bonds**".

SECTION 8
TERMS AND CONDITIONS

8.1 TERMS AND CONDITIONS OF THE MORTGAGE PANDBRIEVEN

*Unless otherwise specified, the following are the terms and conditions (the "**MP Conditions**") which shall apply to the Mortgage Pandbrieven, as completed, supplemented, amended and/or varied in accordance with the provisions of Part A of the relevant final terms based on the form set out in the Base Prospectus (the "**MP Final Terms**"). The text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Part A of the MP Final Terms.*

*The Issuer may also issue from time to time Mortgage Pandbrieven under the Belgian Mortgage Pandbrieven Programme (the "**MP Programme**") which shall be subject to terms and conditions and/or final terms not contemplated by the base prospectus adopted in relation to the MP Programme (the "**Base Prospectus**"). In such circumstances, the relevant terms or form of terms of such Mortgage Pandbrieven will be set out in a schedule to the MP Programme Agreement (as defined below).*

All capitalised terms that are not defined in these MP Conditions will have the meanings given to them in the relevant MP Final Terms. Save where an intention to the contrary appears, references in the MP Conditions to "**Mortgage Pandbrieven**" are to the Mortgage Pandbrieven of one Series only, not to all Mortgage Pandbrieven that may be issued under the MP Programme.

The Mortgage Pandbrieven are issued by Belfius Bank SA/NV (the "**Issuer**" or "**Belfius Bank**") in series, each a "**Series**", having one or more issue dates and on terms otherwise identical (or identical save as to the issue date, first payment of interest, the issue price, and/or the Temporary ISIN Code and Temporary Common Code (if any and as defined in the applicable MP Final Terms)). Once consolidated, the Mortgage Pandbrieven of each Series are intended to be interchangeable with all other Mortgage Pandbrieven of the same Series. Each Series may comprise one or more Tranches issued on the same or different issue dates. A "**Tranche**" means Mortgage Pandbrieven which are identical in all respects (including as to listing). The specific terms of each Tranche (including, without limitation, the aggregate principal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant MP Dealer(s) at the date of issuance and will be set out in the MP Final Terms of such Tranche. In these MP Conditions, "**MP Noteholder**" or "**holder of any Mortgage Pandbrief**" means the person in whose name a Registered Mortgage Pandbrief is registered or, as the case may be, the person evidenced as holding the Dematerialised Mortgage Pandbrief by the book-entry system maintained in the records of the clearing system operated by the National Bank of Belgium (the "**NBB-SSS**") or any successor thereto (the "**Securities Settlement System**"), its participants or any recognised accountholder within the meaning of Article 7:35 of the Belgian Code of Companies and Associations. Any reference to "amount(s)" should be construed as a reference to such amount in euro (if the amount is denominated in euro) or its euro equivalent (if the amount is not denominated in euro).

The Mortgage Pandbrieven are issued pursuant to the programme agreement dated 8 November 2012 (as amended, supplemented, replaced and/or restated from time to time, the "**MP Programme Agreement**") between the Issuer, Stichting Belfius Mortgage Pandbrieven Noteholders' Representative in its capacity as representative of the MP Noteholders and of any other creditors that are holders of claims covered by the MP Special Estate and that have agreed to be so represented (the "**MP Noteholders' Representative**") and any other party named therein. The powers and rights conferred on the MP Noteholders' Representative are laid down in these MP Conditions, the Rules of Organisation of the MP Noteholders and in the contractual arrangements between the MP Noteholders' Representative and the Issuer (the noteholders' representative agreement, initially dated 8 November 2012 and as amended, supplemented, replaced and/or restated from

time to time, the "**MP Noteholders' Representative Agreement**"). Furthermore, the Mortgage Pandbrieven will have the benefit of an agency agreement dated 8 November 2012 (as amended, supplemented, replaced and/or restated from time to time, the "**MP Agency Agreement**") between the Issuer, Belfius Bank (among others) in its capacity as fiscal agent for Mortgage Pandbrieven (the "**MP Fiscal Agent**") and the other agents named therein.

The principal paying agent, the paying agents, the fiscal agent, the registrar and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "**MP Principal Paying Agent**", the "**MP Paying Agents**" (which expression shall, unless the context requires otherwise, include the Principal Paying Agent), the "**MP Fiscal Agent**", the "**MP Registrar**" and the "**MP Calculation Agent(s)**". The MP Noteholders are deemed to have notice of and have accepted to be bound by all of the provisions of the MP Programme Agreement, the MP Noteholders' Representative Agreement and the MP Agency Agreement applicable to them.

Any reference herein to any agreement, document, law, decree or regulation shall be construed as a reference to such agreement, document, law, decree or regulation as the same may be supplemented, varied, recast, amended and/or restated from time to time.

The MP Programme Agreement, the MP Noteholders' Representative Agreement, the MP Agency Agreement, the MP Distribution Agreement and the Articles of Association of the Issuer are available, during normal business hours on any Business Day, for inspection free of charge at the specified offices of the Issuer and each of the MP Paying Agents for the period of 12 months following the date of this Base Prospectus.

1. Type, Form, Denomination, Title and Transfer

(a) *Type of Belgian pandbrieven*

The Mortgage Pandbrieven are issued as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) in accordance with the Belgian Covered Bonds Regulations and are covered by the same special estate (*bijzonder vermogen*/*patrimoine spécial*) of the Issuer constituted pursuant to Article 3 of Annex III to the Banking Law in relation to the MP Programme and in which the MP Cover Assets (as defined below) are segregated (the "**MP Special Estate**"). The main asset class of the Special Estate will consist of Belfius Bank's residential mortgage loans within the meaning of the Belgian Covered Bonds Regulations (the "**Residential Mortgage Loans**", and together with any other assets registered as cover assets (*dekkingsactiva/actifs de couverture*), the "**MP Cover Assets**"). The Residential Mortgage Loans are primary assets (*primaire active/actifs principaux*) as defined in Article 1, 9° of Annex III to the Banking Law ("**Primary Assets**"). The Issuer shall procure that the value of the Residential Mortgage Loans which are part of the MP Special Estate calculated in accordance with the Belgian Covered Bonds Regulations (and including any collections in respect thereof) represents at all times at least 105 per cent. of the aggregate outstanding principal amount of the Mortgage Pandbrieven of all Series. The Supervisory Authority has admitted the Programme to the list of authorised programmes for the issuance of covered bonds under the category Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) on 6 November 2012. Upon so being notified by the Issuer, the Supervisory Authority shall regularly update such list with the Mortgage Pandbrieven issued under the MP Programme and shall indicate that the Mortgage Pandbrieven constitute Belgian pandbrieven under the Belgian Covered Bonds Regulations. The Mortgage Pandbrieven can also be referred to as "European covered bonds (premium)" (*Europese gedekte obligaties (premium)/obligation garantie européenne (de qualité supérieure)*) in accordance with the Belgian Covered Bonds Regulations.

(b) *Form and Denomination*

The Mortgage Pandbrieven can be issued in dematerialised form ("**Dematerialised Mortgage Pandbrieven**") or in registered form ("**Registered Mortgage Pandbrieven**").

Dematerialised Mortgage Pandbrieven are issued in dematerialised form via a book-entry system maintained in the records of the Securities Settlement System in accordance with Article 7:35 et seq. of the Belgian Code of Companies and Associations and will be credited to the accounts held with the Securities Settlement System by Euroclear Bank SA/NV ("**Euroclear Bank**"), Clearstream Banking AG, Frankfurt ("**Clearstream Banking Frankfurt**"), SIX SIS Ltd, Switzerland ("**SIX SIS**"), Monte Titoli S.p.A., Italy ("**Euronext Securities Milan**"), Euroclear France SA, Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Euronext Securities Porto**"), LuxCSD S.A. ("**LuxCSD**") or other Securities Settlement System participants or their participants. The Dematerialised Mortgage Pandbrieven are accepted for clearance through the Securities Settlement System, and are accordingly subject to the applicable clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities (*Wet betreffende de transacties met bepaalde effecten/Loi relative aux opérations sur certaines valeurs mobilières*), its implementing royal decrees of 26 May 1994 and 14 June 1994 and the rules of the Securities Settlement System and its annexes, as issued or modified by the NBB-SSS from time to time (the laws, decrees and rules mentioned in this MP Condition being referred to herein as the "**Securities Settlement System Regulations**"). If at any time, the Dematerialised Mortgage Pandbrieven are transferred to another clearing system, not operated or not exclusively operated by the NBB-SSS, these MP Conditions shall apply *mutatis mutandis* to such successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an "**Alternative Clearing System**").

Registered Mortgage Pandbrieven will be registered in a register maintained by the Issuer or by a registrar on behalf of the Issuer (the "**MP Registrar**") in accordance with Article 7:23 et seq. of the Belgian Code of Companies and Associations. Holders of Registered Mortgage Pandbrieven can obtain a certificate demonstrating the registration of the Registered Mortgage Pandbrieven in the register.

All Mortgage Pandbrieven of the same Series shall have the denomination shown in the applicable MP Final Terms as Specified Denomination. In the case of any Mortgage Pandbrieven which are to be admitted to trading on a regulated market within the EEA or the UK or offered to the public in a Relevant State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the Specified Denomination shall be EUR 100,000 (or the equivalent of at least EUR 100,000 in any other currency as at the date of issuance of the relevant Mortgage Pandbrieven).

(c) *Title and Transfer*

Title to and transfer of Dematerialised Mortgage Pandbrieven will be evidenced only by records maintained by the Securities Settlement System, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD or other Securities Settlement System participants and in accordance with the applicable procedures of the Securities Settlement System, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD and other Securities Settlement System participants.

Title to and transfer of Registered Mortgage Pandbrieven shall pass by registration of the transfer by the Issuer or by the Registrar in a register in accordance with Article 7:23 *et seq.* of the Belgian

Code of Companies and Associations. In case of a sale or transfer of the Registered Mortgage Pandbrieven, the transferor and transferee thereof will be obliged to complete the relevant transfer documents and certificates which can be found on www.belfius.be or can be obtained from the MP Registrar.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Mortgage Pandbrief shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(d) *Transfer Free of Charge*

Transfer of Mortgage Pandbrieven on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer and/or the MP Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the MP Registrar may require).

(e) *Closed Periods*

No MP Noteholder may require the transfer of a Registered Mortgage Pandbrief to be registered (i) during the period of 15 calendar days ending on (but excluding) the due date for redemption of that Mortgage Pandbrief, (ii) during the period of 15 calendar days before (but excluding) any date on which Mortgage Pandbrieven may be called for redemption by the Issuer at its option pursuant to MP Condition 3(f) (*Redemption, Purchase and Options – Redemption at the option of the Issuer and exercise of Issuer's option*), (iii) after any such Mortgage Pandbrief has been called for redemption or (iv) during the period of 15 calendar days ending on (and including) any Record Date.

2. Interest and Other Calculations

(a) *Rate of Interest on Fixed Rate Mortgage Pandbrieven*

Each Fixed Rate Mortgage Pandbrief bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal (subject as provided in MP Condition 2(g) (*Interest and Other Calculations – Margin, Maximum Rate of Interest, Minimum Rate of Interest, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts and Rounding*)) to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with MP Condition 2(h) (*Interest and Other Calculations – Calculations*).

(b) *Rate of Interest on Floating Rate Mortgage Pandbrieven*

(A) Each Floating Rate Mortgage Pandbrief bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal (subject as provided in MP Condition 2(g) (*Interest and Other Calculations – Margin, Maximum Rate of Interest, Minimum Rate of Interest, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts and Rounding*)) to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with MP Condition 2(h) (*Interest and Other Calculations – Calculations*). The "**Interest Payment Date**" means the date shown in the applicable MP Final Terms as a Specified Interest Payment Date, or, if no Specified Interest Payment Date is shown in the applicable MP Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown therein as the Interest Period after the preceding

Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(B) Where **ISDA Determination** is specified in the applicable MP Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the MP Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the MP Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option is as specified in the applicable MP Final Terms;

(ii) the Designated Maturity is a period specified in the applicable MP Final Terms; and

(iii) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the applicable MP Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(C) Where **Screen Rate Determination** is specified in the applicable MP Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the MP Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the MP Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations. The amount of interest payable shall be determined in accordance with MP Condition 2(h) (*Interest and Other Calculations – Calculations*).

If the Reference Rate from time to time in respect of Floating Rate Mortgage Pandbrieven is specified in the applicable MP Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Mortgage Pandbrieven will be determined as provided in the applicable MP Final Terms.

For the purposes of the foregoing:

(a) if the Relevant Screen Page is not available or if, sub-paragraph (C)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (C)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in

each case as at the time specified above, subject as provided below, the MP Calculation Agent shall request, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the MP Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the MP Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the MP Calculation Agent; and

(b) if paragraph (a) above applies and the MP Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the MP Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, or, if fewer than two of the Reference Banks provide the MP Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are, in the opinion of the Issuer, suitable for such purpose) informs the MP Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, instead of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(c) *Linear Interpolation*

Where Linear Interpolation is specified in the MP Final Terms as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the MP Calculation Agent by straight line linear interpolation by reference to two rates based on the

relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the MP Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity.

(d) *Rate of Interest on Zero Coupon Mortgage Pandbrieven*

Where a Mortgage Pandbrief, the Rate of Interest of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be, unless otherwise provided in the applicable MP Final Terms, the Early Redemption Amount (as defined in MP Condition 3(b) (*Redemption, Purchase and Options – Early Redemption*) of such Mortgage Pandbrief. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Mortgage Pandbrief shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in MP Condition 3(b) (*Redemption, Purchase and Options – Early Redemption*)).

(e) *Accrual of interest and late payment interest*

Subject as provided in MP Condition 2(j) (*Interest and Other Calculations – Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Mortgage Pandbrieven up to the Extended Maturity Date*), interest shall cease to accrue on each Mortgage Pandbrief on the due date for redemption unless (i) payment of principal is improperly withheld or refused, in which event interest shall continue to accrue at the Rate of Interest in the manner provided in this MP Condition to the Relevant Date (as defined in MP Condition 5 (*Tax Gross-up*)) or (ii) a Mortgage Pandbrief is partially redeemed, in which event interest shall only cease to accrue in respect of the redeemed part of such Mortgage Pandbrief.

(f) *Business Day Convention*

If any date referred to in these MP Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, or (ii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, or (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. In the event of Mortgage Pandbrieven cleared through the Securities Settlement System, the Following Business Day Convention will always be applicable.

(g) *Margin, Maximum Rate of Interest, Minimum Rate of Interest, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts and Rounding*

(i) If any Margin is specified in the applicable MP Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates

of Interest (in the case of (x)), or the Rate of Interest for the specified Interest Accrual Periods (in the case of (y)), by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is specified in the applicable MP Final Terms, then any Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these MP Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) *Calculations*

The amount of interest payable per Calculation Amount (as determined in the applicable MP Final Terms) in respect of any Mortgage Pandbrief for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the applicable MP Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless a Fixed Coupon Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Mortgage Pandbrief for such Interest Accrual Period shall equal such Fixed Coupon Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Fixed Coupon Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

The MP Calculation Agent shall, as soon as practicable on each date as the MP Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the MP Principal Paying Agent, the Issuer, each of the MP Paying Agents, the MP Noteholders, the MP Noteholders' Representative, any other MP Calculation Agent appointed in respect of the Mortgage Pandbrieven that is to make a further calculation upon receipt of such information and, if the Mortgage Pandbrieven are listed on a stock exchange and the rules of such exchange so require, such stock exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such stock exchange of a Rate of Interest and Interest Amount, or (ii) in all other

cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to MP Condition 2(f) (*Interest and Other Calculations - Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount, Early Redemption Amount and Optional Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the MP Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Mortgage Pandbrieven up to the Extended Maturity Date*

(i) If the maturity of the Mortgage Pandbrieven is extended beyond the Maturity Date in accordance with MP Condition 3(j) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*), the Mortgage Pandbrieven shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of (i) the relevant Interest Payment Date after the Maturity Date on which the Mortgage Pandbrieven are redeemed in full, (ii) the Extended Maturity Date, or (iii) the date on which the Mortgage Pandbrieven are redeemed in full in accordance with MP Condition 3(j)(v)3(j)(v) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), subject to MP Condition 2(e) (*Interest and Other Calculations – Accrual of interest and late payment interest*). In that event, interest shall be payable on those Mortgage Pandbrieven at the rate determined in accordance with MP Condition 2(j)(ii) on the outstanding principal amount of the Mortgage Pandbrieven in arrears on the relevant interest payment date (i.e., on the Extension Payment Date on which the Mortgage Pandbrieven are redeemed in full, the Extended Maturity Date or the date on which the Mortgage Pandbrieven are redeemed in full in accordance with MP Condition 3(j)(v) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), as applicable). The final Interest Payment Date shall fall no later than the Extended Maturity Date.

(ii) If the maturity of the Mortgage Pandbrieven is extended beyond the Maturity Date in accordance with MP Condition 3(j) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*), the rate of interest payable from time to time in respect of the outstanding principal amount of the Mortgage Pandbrieven on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable MP Final Terms and, where applicable, determined by the MP Principal Paying Agent or, where the applicable MP Final Terms specifies a MP Calculation Agent, the MP Calculation Agent so specified, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable MP Final Terms.

(iii) In the case of Mortgage Pandbrieven which are Zero Coupon Mortgage Pandbrieven up to (and including) the Maturity Date, for the purposes of this MP Condition 2(j) (*Interest and Other Calculations - Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Public Pandbrieven up to the Extended Maturity Date*) the outstanding principal amount shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these MP Conditions.

(iv) This MP Condition 2(j) (*Interest and Other Calculations - Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Public Pandbrieven up to the Extended Maturity Date*) shall only apply to Mortgage Pandbrieven if the Issuer has insufficient funds available to redeem those Mortgage Pandbrieven in full within five Business Days after the Maturity Date or if, on such Maturity Date, there is another Series of Mortgage Pandbrieven outstanding which was previously extended and which the Issuer fails to fully redeem on or prior to the Maturity Date, and the maturity of those

Mortgage Pandbrieven is automatically extended up to the Extended Maturity Date in accordance with MP Condition 3(j) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*).

(k) *MP Calculation Agent*

The Issuer shall procure that there shall at all times be one or more MP Calculation Agents if provision is made for them in the applicable MP Final Terms and for so long as any Mortgage Pandbrief is outstanding (as defined in the MP Agency Agreement). Where more than one MP Calculation Agent is appointed in respect of the Mortgage Pandbrieven, references in these MP Conditions to the MP Calculation Agent shall be construed as each MP Calculation Agent performing its respective duties under the MP Conditions. The MP Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. Nevertheless if the MP Calculation Agent is unable or unwilling to act as such or if the MP Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer may calculate this amount in such manner as it shall deem fair and reasonable in all circumstances but taking into account the provisions of the applicable MP Final Terms. In making such determination or calculation, the Issuer may rely on a leading bank or financial institution engaged in the inter-bank market to act as such in its place or may appoint a leading bank or financial institution to act as such in its place. The Issuer will give notice of such calculations in accordance with this Condition 2 (*Interest and Other Calculations*).

(l) *Benchmark replacement*

In addition, notwithstanding the other provisions in this MP Condition 2, if the Issuer determines that a Benchmark Event occurs in relation to the relevant Reference Rate specified in the applicable MP Final Terms when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Mortgage Pandbrieven:

(i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with an Independent Adviser with a view to the Issuer determining (without any requirement for the consent or approval of the MP Noteholders) (A) a Successor Rate (as defined below) or, failing which, an Alternative Reference Rate (as defined below), for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Mortgage Pandbrieven and (B) in either case, an Adjustment Spread (as defined below);

(ii) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date (as defined below), the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this MP Condition 2(l);

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this MP Condition 2(l));

(iv) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the MP Noteholders) also specify changes to

these MP Conditions, including but not limited to (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, and/or the definition of Reference Rate applicable to the Mortgage Pandbrieven and (B) the method for determining the fall-back rate in relation to the Mortgage Pandbrieven, in any such case in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate or any Adjustment Spread (as applicable). If the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the MP Fiscal Agent and any other agents party to the MP Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the MP Agency Agreement and these MP Conditions as may be required in order to give effect to the application of this MP Condition 2(l). No consent shall be required from the MP Noteholders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps to be taken by the MP Fiscal Agent and any other agents party to the MP Agency Agreement (if required or useful); and

(v) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the MP Calculation Agent, the MP Fiscal Agent and, in accordance with MP Condition 9 (*Notices*), the MP Noteholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the MP Agency Agreement and these MP Conditions (if any),

provided that the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) and any other related changes to the Mortgage Pandbrieven, shall be made in accordance with the relevant Applicable Banking Regulations (if applicable).

An Independent Adviser appointed pursuant to this MP Condition 2(l) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the MP Calculation Agent, the MP Fiscal Agent or the MP Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this MP Condition 2(l).

Without prejudice to the obligations of the Issuer under this MP Condition 2(l), the Reference Rate and the other provisions in this MP Condition 2 will continue to apply unless and until the MP Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the MP Agency Agreement and these MP Conditions (if any).

(m) *Definitions*

In these MP Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the MP Noteholders as a result of the replacement of the Reference Rate with the

Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iv) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser (if any) and acting in good faith, determines to be appropriate.

"**Alternative Reference Rate**" means the rate that the Issuer determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the relevant Reference Rate.

"**Applicable Banking Regulation**" means at any time, the laws, regulations, rules, guidelines and policies of the Lead Regulator, or of the European Parliament and Council then in effect in Belgium, relating to capital adequacy and applicable to the Issuer at such time (for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRD V).

"**Banking Law**" means the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms (*Wet van 25 april 2014 op het statuut van en het toezicht op de kredietinstellingen en beursvennootschappen/Loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit et des sociétés de bourse*), as amended from time to time.

"**Belgian Code of Companies and Associations**" means the Belgian *Wetboek van Vennootschappen en Verenigingen / Code des Sociétés et des Associations* of 23 March 2019, as further amended, supplemented and/or replaced from time to time.

"**Belgian Covered Bonds Regulations**" means Book II, Title II, Chapter IV, Section III of, and Annex III to, the Banking Law, the Mobilisation Law, the Covered Bonds Royal Decree, the Cover Pool Administrator Royal Decree, the NBB Covered Bonds Regulation, the NBB Cover Pool Monitor Regulation and any other law, royal decree, regulation or order that may be passed or taken in relation to Belgian covered bonds, as amended, supplemented and/or replaced from time to time.

"**Benchmark Event**" means:

(i) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the relevant Reference Rate stating that it will, by a specified date within the following six months, cease to publish the relevant

Reference, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the relevant Reference Rate stating that the relevant Reference Rate has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor or the administrator of the relevant Reference Rate that means that the relevant Reference Rate will be prohibited from being used within the following six months; or

(v) it has become unlawful for the MP Calculation Agent, the MP Fiscal Agent or any other agents party to the MP Agency Agreement to calculate any payments due to be made to any MP Noteholders using the relevant Reference Rate.

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which banks are open for general business in Belgium and on which commercial banks settle payments in the principal financial centre for such currency; and

(ii) in the case of euro, a day (a) other than a Saturday or Sunday on which the NBB-SSS is operating and (b) on which banks are open for general business in Belgium and (c) (if a payment in euro is to be made on that day), which is a business day for the TARGET2 System (a "**TARGET Business Day**"); and

(iii) in the case of a currency other than euro and one or more business centres (the "**Business Centre(s)**"), as specified in the applicable MP Final Terms, a day (other than a Saturday or a Sunday) on which banks are open for general business in Belgium and on which commercial banks settle payments in such currency in each of the Business Centres.

"**Cover Pool Administrator Royal Decree**" means the Royal Decree of 11 October 2012 on the cover pool administrator in the context of the issue of Belgian covered bonds by a Belgian credit institution (*Koninklijk Besluit van 11 oktober 2012 betreffende de portefeuillebeheerder in het kader van de uitgifte van Belgische covered bonds door kredietinstellingen naar Belgisch recht/Arrêté Royal du 11 octobre 2012 relatif au gestionnaire de portefeuille dans le cadre de l'émission de covered bonds belges par un établissement de crédit de droit belge*), as amended by the Decree of 27 January 2022, as from time to time further amended and/or supplemented.

"**Covered Bonds Royal Decree**" means the Royal Decree of 11 October 2012 on the issue of Belgian covered bonds by Belgian credit institutions (*Koninklijk Besluit van 11 oktober 2012 betreffende de uitgifte van Belgische covered bonds door kredietinstellingen naar Belgisch recht/Arrêté Royal du 11 octobre 2012 relatif à l'émission de covered bonds belges par des établissements de crédit de droit belge*) as amended by the Royal Decree of 27 January 2022, as from time to time further amended and/or supplemented.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Mortgage Pandbrief for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual** or **Actual/Actual-ISDA**" is specified in the applicable MP Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable MP Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the applicable MP Final Terms, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable MP Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{(360 \times (Y_2 - Y_1)) + (30 \times (M_2 - M_1)) + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1, is greater than 29, in which case D_2 will be 30;

(v) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable MP Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{(360 \times (Y_2 - Y_1)) + (30 \times (M_2 - M_1)) + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vi) if "**30E/360 (ISDA)**" is specified in the applicable MP Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{(360 \times (Y_2 - Y_1)) + (30 \times (M_2 - M_1)) + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

(vii) if "Actual/**Actual-ICMA**" is specified in the applicable MP Final Terms,

(aa) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(bb) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date; and

"**Interest Determination Dates**" means the dates specified in the applicable Final Terms or, if none is so specified, the Interest Payment Date and, assuming no Broken Amounts are payable according to the applicable Final Terms, the Interest Commencement Date.

"**Eurozone**" means the region composed of member states of the European Union that adopt the single currency in accordance with the EC Treaty (as defined in the ISDA Definitions).

"**IA Determination Cut-Off Date**" means no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Mortgage Pandbrieven, and unless otherwise specified in the applicable MP Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable MP Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the applicable MP Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable MP Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the First Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date unless otherwise specified herein.

"**Interest Period Date**" means each Interest Payment Date, unless otherwise specified herein.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified herein.

"**Issuer**" means Belfius Bank SA/NV and shall, with respect to the management of the MP Special Estate following the appointment of a MP Cover Pool Administrator and where the context so requires, be deemed to be a reference to the MP Cover Pool Administrator.

"**Lead Regulator**" means the NBB, ECB or any successor entity primarily responsible for the prudential supervision of the Issuer.

"**Mobilisation Law**" means the Law of 3 August 2012 on various measures to facilitate the mobilisation of receivables in the financial sector (*Wet van 3 augustus 2012 betreffende diverse maatregelen ter vergemakkelijking van de mobilisering van schuldvorderingen in de financiële sector/Loi du 3 août 2012 relative à des mesures diverses pour faciliter la mobilisation de créances dans le secteur financier*) as subsequently amended and/or supplemented.

"**MP Cover Pool Administrator**" means a cover pool administrator (*portefeuillebeheerder/gestionnaire de portefeuille*) appointed to manage the MP Special Estate in any of the circumstances as described in Article 8 of Annex III to the Banking Law.

"**MP Cover Pool Monitor**" means a cover pool monitor (*portefeuilesurveillant/surveillant de portefeuille*) appointed in accordance with Article 16, §1 of Annex III to the Banking Law.

"**NBB Cover Pool Monitor Regulation**" means the Regulation of the National Bank of Belgium (NBB_2022_16) addressed to the cover pool monitors of Belgian credit institutions that issue Belgian covered bonds dated 14 June 2022 (*Circulaire aan de portefeuillesurveillanten van kredietinstellingen naar Belgisch recht die Belgische covered bonds uitgeven/Circulaire aux surveillants de portefeuille auprès d'établissements de crédit de droit belge qui émettent des covered bonds belges*) as subsequently amended and/or supplemented.

"**NBB Covered Bonds Regulation**" means the Regulation of the National Bank of Belgium (NBB_2022_15) regarding practical rules for the application of the law of 25 April 2014 establishing a legal framework for Belgian covered bonds dated 14 June 2022 (*Praktische regels voor de toepassing van de wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen zoals gewijzigd door de wet van 26 november 2021 met het oog op de omzetting van Richtlijn 2019/2162 betreffende de uitgifte van en het overheidstoezicht op gedekte obligaties/Modalités pratiques d'application de la loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit telle que modifiée par la loi du 26 novembre 2021 afin de transposer la directive 2019/2162 relative à l'émission et à la surveillance publique des obligations sécurisées*) as subsequently amended and/or supplemented.

"**NBB-SSS**" means the National Bank of Belgium in its capacity as operator of the Securities Settlement System.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Mortgage Pandbrief and that is either specified or calculated in accordance with the provisions herein.

"**Rating Agency**" means any rating agency (or its successor) who, at the request of the Issuer, assigns, and for as long it assigns, one or more ratings to the Mortgage Pandbrieven under the MP Programme from time to time, which may include Moody's, Fitch, S&P and/or any such other rating agency as shall be specified in the MP Final Terms.

"**Reference Banks**" means in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, selected by the MP Calculation Agent or as specified herein.

"**Reference Rate**" means the rate specified as such in the applicable MP Final Terms.

"**Relevant Date**" in respect of any payment means whichever is the later of (i) the date on which such payment first becomes due and (ii), (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of such money outstanding is made or (if earlier) the date seven calendar days after that on which notice is duly given to the MP Noteholders

that, upon further presentation of the Mortgage Pandbrief being made in accordance with the MP Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable MP Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Rules of Organisation of the MP Noteholders**" means the rules of organisation of the MP Noteholders as set out in Section 9 of the Base Prospectus.

"**Servicer**" means, in relation to the Residential Mortgage Loans, Belfius Bank SA/NV, or such other servicer as may be appointed from time to time.

"**Specified Currency**" means the currency specified as such in the applicable MP Final Terms or, if none is specified, the currency in which the Mortgage Pandbrieven are denominated.

"**Successor Rate**" means the rate that the Issuer determines is a successor to, or replacement of, the Reference Rate which is formally recommended by any Relevant Nominating Body.

"**Supervisory Authority**" means National Bank of Belgium (*Nationale Bank van België*/*Banque Nationale de Belgique*) ("**NBB**") and any other supervisory authority to which relevant powers may be transferred.

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

3. Redemption, Purchase and Options

(a) *Final Redemption*

Unless previously redeemed in whole or in part, purchased and cancelled as provided below or its maturity is extended in accordance with these MP Conditions, each Mortgage Pandbrief shall be finally redeemed on the Maturity Date specified in the applicable MP Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its principal amount).

(b) *Early Redemption*

(A) Zero Coupon Mortgage Pandbrieven

(i) The Early Redemption Amount payable in respect of any Zero Coupon Mortgage Pandbrief, upon redemption of such Mortgage Pandbrief pursuant to MP Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), MP Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons)*, MP Condition 3(i) (*Redemption, Purchase and Options – Cancellation)* or MP Condition

22 (*Payment Default and Cross-Acceleration*) shall be the Amortised Face Amount (calculated as provided below) of such Mortgage Pandbrief, unless otherwise specified in the applicable MP Final Terms.

(ii) Subject to sub-paragraph (iii) below, the "**Amortised Face Amount**" of any such Mortgage Pandbrief shall be the scheduled Final Redemption Amount of such Mortgage Pandbrief on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually. If none is shown in the applicable MP Final Terms, the "**Amortisation Yield**" shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Mortgage Pandbrieven if they were discounted back to their issue price on the Issue Date.

(iii) If the Amortised Face Amount payable in respect of any such Mortgage Pandbrief upon its redemption pursuant to MP Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), MP Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons)*, MP Condition 3(i) (*Redemption, Purchase and Options – Cancellation)* or MP Condition 22 (*Payment Default and Cross-Acceleration*) is not paid when due, the Final Redemption Amount due and payable in respect of such Mortgage Pandbrief shall be the Amortised Face Amount of such Mortgage Pandbrief as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Mortgage Pandbrief becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Mortgage Pandbrief on the Maturity Date together with any interest that may accrue in accordance with MP Condition 2 (*Interest and Other Calculation*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction as provided in the applicable MP Final Terms.

(B) Other Mortgage Pandbrieven

The Early Redemption Amount payable in respect of any Mortgage Pandbrief (other than Mortgage Pandbrieven described in (A)(i) above), upon redemption of such Mortgage Pandbrief pursuant to MP Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), MP Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons)*, MP Condition 3(i) (*Redemption, Purchase and Options – Cancellation)* or MP Condition 22 (*Payment Default and Cross-Acceleration*) shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption, unless otherwise specified in the applicable MP Final Terms.

(c) *Redemption for Illegality*

The Mortgage Pandbrieven may be redeemed at the option of the Issuer in whole, but not in part, on the next Interest Payment Date or at any time, on giving not less than 30 nor more than 60 calendar days' notice to the MP Noteholders in accordance with MP Condition 9 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount, if the Issuer notifies the MP Noteholders' Representative immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Mortgage Pandbrief of any Series or Tranche, become

unlawful for the Issuer to (i) make any payments or (ii) comply with its obligations under the Mortgage Pandbrieven, or (iii) allow any Mortgage Pandbrieven to remain outstanding, as a result of any change in, or amendment to, the applicable laws or regulation or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next Interest Payment Date. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the MP Principal Paying Agent and the MP Noteholders' Representative a certificate signed by a representative of the Issuer stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the condition to the right of the Issuer to redeem for illegality has occurred.

(d) *Redemption for Taxation Reasons*

The Mortgage Pandbrieven may be redeemed at the option of the Issuer in whole, but not in part, on the next Interest Payment Date or at any time, on giving not less than 30 nor more than 60 calendar days' notice to the MP Noteholders in accordance with MP Condition 9 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount, if the Issuer would, on the occasion of the next payment due in respect of the Mortgage Pandbrieven, become obliged to pay on any Mortgage Pandbrief of any Series or Tranche additional amounts pursuant to MP Condition 5 (*Tax Gross-up*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a finding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the relevant Series of Mortgage Pandbrieven. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the MP Principal Paying Agent and the MP Noteholders' Representative a certificate signed by a representative of the Issuer stating that it is entitled to effect such redemption and setting forth a statement of facts showing that it would otherwise be obliged to pay such additional amounts as a result of such change or amendment, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer, has or will become obliged to pay such additional amounts as a result of such change or amendment.

(e) *Redemption at the option of the MP Noteholders*

If a Noteholder Put is specified in the applicable MP Final Terms, the Issuer shall, at the option of the MP Noteholder and upon the MP Noteholder giving not less than 15 nor more than 30 calendar days' notice (or such other notice period as specified in the applicable MP Final Terms) to the Issuer (which notice shall be irrevocable), upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable MP Final Terms, in whole (but not in part), such Mortgage Pandbrieven on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise such option that may be set out in the applicable MP Final Terms, the MP Noteholder must deposit with a MP Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained from any MP Paying Agent or the MP Registrar, as the case may be, with a copy to be sent to the Issuer at the Address specified in the MP Final Terms within the notice period. In the case of Dematerialised Mortgage Pandbrieven, the MP Noteholder shall transfer, or cause to be transferred, the Dematerialised Mortgage Pandbrieven to be redeemed to the account of the MP Paying Agent, as specified in the Exercise Notice.

(f) *Redemption at the option of the Issuer and exercise of Issuer's option*

If an Issuer Call or an option of the Issuer is specified in the applicable MP Final Terms, the Issuer may, subject to compliance by the Issuer with all the relevant laws, regulations and directives and upon giving not less than seven days' (or such other notice period as may be specified in the applicable MP Final Terms) irrevocable notice to the MP Noteholders in accordance with MP Condition 9 (*Notices*), redeem or exercise any Issuer's option in relation to all or, if so provided, some of the Mortgage Pandbrieven on any Optional Redemption Date, as the case may be. Any such redemption of Mortgage Pandbrieven shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption or exercise must relate to the Mortgage Pandbrieven of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable MP Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable MP Final Terms.

All Mortgage Pandbrieven in respect of which any such notice is given shall be redeemed, or the Issuer's option exercised, on the date specified in such notice in accordance with this MP Condition 3(f).

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Mortgage Pandbrieven, the redemption may be effected by reducing the principal amount of all such Mortgage Pandbrieven in a Series in proportion to the aggregate principal amount redeemed.

So long as the Mortgage Pandbrieven are admitted to trading on a regulated market and the rules of, or applicable to, such regulated market require, the Issuer shall, each time that there has been a partial redemption of the Mortgage Pandbrieven, cause to be published (i) as long as such Mortgage Pandbrieven are admitted to trading on the regulated market of Euronext Brussels and the rules of such exchange so permit, on the website of Euronext Brussels (www.euronext.com), (ii) as long as such Mortgage Pandbrieven are admitted to trading on a regulated market other than Euronext Brussels and the rules of such exchange so permit, on the website of such exchange, or (iii) in a leading newspaper with general circulation in the city where the regulated market on which such Mortgage Pandbrieven are admitted to trading is located (but only if the rules of that exchange so require), which in the case of the Regulated Market of Euronext Brussels is expected to be *De Tijd* and *L'Écho*, a notice specifying the aggregate outstanding principal amount of Mortgage Pandbrieven.

(g) *Purchases*

The Issuer and any of its subsidiaries may at any time purchase Mortgage Pandbrieven in the open market or otherwise at any price.

Unless otherwise indicated in the MP Final Terms, Mortgage Pandbrieven so purchased by the Issuer may be held in accordance with Article 10 of Annex III to the Banking Law or cancelled in accordance with MP Condition 3(i) (*Redemption, Purchase and Options – Cancellation*) below.

(h) *Subscription to own Mortgage Pandbrieven*

The Issuer may subscribe to its own Mortgage Pandbrieven.

(i) *Cancellation*

All Mortgage Pandbrieven purchased or subscribed by or on behalf of the Issuer may be surrendered for cancellation, and shall if surrendered, together with all Mortgage Pandbrieven redeemed by the Issuer, be cancelled forthwith (together with all rights relating to payment of interest and other amounts relating to such Mortgage Pandbrieven). Any Mortgage Pandbrieven so

surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Mortgage Pandbrieven shall be discharged.

(j) *Extension of Maturity up to Extended Maturity Date*

(i) The obligation of the Issuer to pay the Final Redemption Amount of a Series of Mortgage Pandbrieven on the Maturity Date of such Series can be deferred upon the occurrence of one of the following events:

(A) the Issuer fails to redeem the Mortgage Pandbrieven of the relevant Series at their Final Redemption Amount in full within five Business Days after their Maturity Date ("failure to pay"). In such case (subject as provided below in paragraph (iv)), the obligation of the Issuer to redeem such Series shall be automatically deferred to, and shall be due on, the Extended Maturity Date; and

(B) the deferral, up to the Extended Maturity Date, may be decided upon by the Cover Pool Administrator in the event a liquidation procedure is initiated against the Issuer or the Issuer is resolved.

The "**Extended Maturity Date**"" shall be the date falling one year after the relevant Maturity Date.

(ii) The Issuer shall give notice of the extension of the Maturity Date to the Extended Maturity Date to the MP Noteholders of the relevant Series, the MP Noteholders' Representative, the relevant Rating Agencies, the MP Fiscal Agent and the MP Paying Agent and/or MP Registrar as soon as reasonably practicable, it being understood that a failure to notify shall not affect such extension of the Maturity Date. In accordance with Article 13/1, §2 of Annex III to the Banking Law, the Issuer will inform the Supervisory Authority of its action plan to ensure that the Final Redemption Amount due and remaining unpaid, will be paid by the new maturity date.

(iii) Notwithstanding paragraph (v) below, if and to the extent that on any subsequent Interest Payment Date (as defined in the applicable MP Final Terms) falling prior to the Extended Maturity Date (each an "**Extension Payment Date**"), the Issuer has available funds, then the Issuer shall (a) give notice thereof to the MP Noteholders of such Series, the MP Noteholders' Representative, the MP Fiscal Agent and the MP Paying Agent and/or MP Registrar as soon as reasonably practicable and in any event at least two Business Days prior to such Extension Payment Date and (b) apply such available funds to redeem the Mortgage Pandbrieven of such Series on such Extension Payment Date at their Final Redemption Amount.

(iv) Save as otherwise provided for in the applicable MP Final Terms, interest shall (a) accrue on the unpaid portion of such Final Redemption Amount from (and including) the Maturity Date to (but excluding) the Extension Payment Date or the Extended Maturity Date , (b) be payable in arrears on each Extension Payment Date (in respect of the Interest Period then ended) or, if earlier, on the Extended Maturity Date and (c) accrue at the rate provided for in the applicable MP Final Terms.

(v) to the extent that the maturity date of any other Series of Mortgage Pandbrieven has been extended in accordance with the relevant terms and conditions thereof (the "**Extended Mortgage Pandbrieven**"), and the Maturity Date of a Series of Mortgage Pandbrieven falls prior to the extended maturity date of the Extended Mortgage Pandbrieven and on such date the Extended Mortgage Pandbrieven have not yet been redeemed in full, then the Maturity Date of such Series of Mortgage Pandbrieven shall also be extended on its Maturity Date to the Extended Maturity Date. Such extension does not in itself need to be triggered by paragraph (i) above, but is made in accordance with Article 13, §2 *in fine* of Annex III to the Banking Law in order to avoid that an extension of a particular Series of Mortgage Pandbrieven would alter the sequence of Maturity Dates among different Series of Mortgage Pandbrieven.

(vi) Subject to paragraph (v) above, an extension of one Series does not automatically imply the extension of other Series.

(vii) In the case the Mortgage Pandbrieven to which an Extended Maturity Date applies are Zero Coupon Mortgage Pandbrieven, the outstanding principal amount will for the purposes of this MP Condition 3(j) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*) be the total amount otherwise payable by the Issuer but unpaid on the relevant Mortgage Pandbrieven on the Maturity Date.

(viii) Any extension of the maturity of Mortgage Pandbrieven under this MP Condition 3(j) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*) shall be irrevocable. Where this MP Condition 3(j) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*) applies, failure by the Issuer to redeem in full the relevant Mortgage Pandbrieven on the Maturity Date or on any subsequent Extension Payment Date (or the relevant later date in case of an applicable grace period) shall not constitute a Payment Default (as defined below). However, failure by the Issuer to redeem in full the relevant Mortgage Pandbrieven on the Extended Maturity Date shall be a failure to pay which may constitute a Payment Default.

(ix) Any payments which may be subject to an extension in accordance with this MP Condition 3(j) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*) shall not be deemed to constitute an unconditional payment for the purpose of Article 7, §1 of the Covered Bonds Royal Decree.

(x) If the maturity of any Mortgage Pandbrieven is extended up to the Extended Maturity Date in accordance with this MP Condition 3(j) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*), for so long as any of those Mortgage Pandbrieven remains outstanding, the Issuer shall not issue any further Mortgage Pandbrieven, unless the proceeds of issuance of such further Mortgage Pandbrieven are applied by the Issuer on issuance in redeeming in whole or in part the relevant Mortgage Pandbrieven in accordance with the terms hereof.

4. Payments

(a) *Dematerialised Mortgage Pandbrieven*

Payment of principal and interest in respect of Dematerialised Mortgage Pandbrieven will be made in accordance with the applicable rules and procedures of the Securities Settlement System, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD and any other Securities Settlement System participant. Upon receipt of any payment in respect of Dematerialised Mortgage Pandbrieven, the Securities Settlement System, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD and any other Securities Settlement System participant, shall immediately credit the accounts of the relevant account holders with the payment.

(b) *Registered Mortgage Pandbrieven*

Payments of principal and interest in respect of Registered Mortgage Pandbrieven shall be paid to the person shown on the register maintained by the Issuer or by the MP Registrar at the close of business on the 15th calendar day before the due date for payment thereof (the "**Record Date**").

(c) *Payments Subject to Fiscal Laws*

Save as provided in MP Condition 5 (*Tax Gross-up*), payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its agents under this MP Programme agree to be subject and the

Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

(d) *Non-Business Day*

If any date for payment in respect of any Mortgage Pandbrief is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment, unless otherwise specified in the applicable MP Final Terms.

5. Tax Gross-up

All payments of principal and interest by or on behalf of the Issuer in respect of the Mortgage Pandbrieven, shall be made without withholding or deduction for any present or future taxes, duties, assessments or other charges of whatever nature ("**Taxes**") imposed or levied by the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or other charges is required by law or regulation.

In that event, or if a clearing system or any participant in a clearing system withholds or deducts for, or on account of, any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having the power to tax, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts received by the MP Noteholders after such withholding or deduction shall be not less than the respective amounts of principal and interest which would have been receivable in respect of the Mortgage Pandbrieven in the absence of such withholding or deduction; except that no such additional amounts shall be payable:

(i) with respect to any payment in respect of any Dematerialised Mortgage Pandbrief:

(1) *Other connection:* to, or to a third party on behalf of, a holder who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption, or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Dematerialised Mortgage Pandbrief by reason of his having some connection with Belgium other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of the Dematerialised Mortgage Pandbrief; or

(2) *Non-Eligible Investors:* to, or to a third party on behalf of, a holder who on the date of acquisition of such Dematerialised Mortgage Pandbrief, was not an Eligible Investor or who was an Eligible Investor on the date of acquisition of such Dematerialised Mortgage Pandbrief but, for reasons within the MP Noteholder's control, ceased to be an Eligible Investor or at any relevant time on or after the issuance of the Dematerialised Mortgage Pandbrieven otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Law of 6 August 1993 relating to certain securities; or

(3) *Conversion into registered Mortgage Pandbrieven:* to, or to a third party on behalf of, a holder who is liable to such Taxes because the Dematerialised Mortgage Pandbrieven were converted into Registered Mortgage Pandbrieven upon his/her request and could no longer be cleared through the Securities Settlement System, or

(4) *MP Paying Agent not being a Securities Settlement System participant (or their participants):* presented for payment by or on behalf of a holder who would have

been able to avoid such withholding or deduction by presenting the relevant Dematerialised Mortgage Pandbrief to another Paying Agent in a member state of the EU.

(ii) with respect to any payment in respect of any Registered Mortgage Pandbrief:

(1) *Other connection:* to, or to a third party on behalf of, a holder who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption, or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Registered Mortgage Pandbrief by reason of his having some connection with Belgium other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of the Registered Mortgage Pandbrief; or

(2) *Not Exempt Investors:* to a holder who is not an Exempt Investor; or

(3) *Issuer not a financial institution anymore:* where such withholding or deduction is imposed for reason of the holder of the Registered Mortgage Pandbrieven, at the time of the relevant interest payment, not benefitting from a full exemption from Belgian interest withholding tax due to the Issuer no longer qualifying as a financial institution as referred to in the Articles 105, 1°, a) and 107, §2, 5°, b) of the Royal Decree implementing the Belgian Income Tax Code 1992; or

(4) *Zero Coupon / Capitalisation of interest:* which is issued as a Zero Coupon Mortgage Pandbrief or any other Registered Mortgage Pandbrief which provides for the capitalisation of interest.

Notwithstanding anything to the contrary contained herein, the Issuer shall be entitled to withhold and deduct any amounts required to be deducted or withheld pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement (IGA) between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**") and the Issuer shall not be required to pay any additional amounts in respect of FATCA Withholding. For the avoidance of doubt, the Issuer shall not be required to pay any additional amounts in respect of FATCA Withholding by a clearing system or any participant in a clearing system.

As used in this Condition, "**Eligible Investor**" means those entities (i) which are referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (as amended from time to time) and (ii) which rightfully hold the Mortgage Pandbrieven in an exempt account (X-Account) in the Securities Settlement System.

As used in this Condition, "**Exempt Investor**" means a MP Noteholder that, as of the relevant Interest Payment Date, I. (i) is not a tax resident in Belgium, (ii) does not use the income producing assets, i.e. the Registered Mortgage Pandbrieven, to exercise a business or professional activity in Belgium, (iii) has been the owner (*eigenaar*/*propriétaire*) or usufructuary (*vruchtgebruiker*/*usufruitier*) of the Registered Mortgage Pandbrief in respect of which it is entitled to the payment of interest, uninterruptedly for the entire relevant Interest Period, (iv) was registered with the Issuer as the holder of Registered Mortgage Pandbrieven during the same Interest Period as mentioned under (iii) above, (v) has provided the Issuer with an executed Tax Status Certificate with respect to such interest payment executed by or on behalf of such holder on or before the date such Tax Status Certificate is required to be delivered to the Issuer pursuant to Article 118, §1, 1° of the Royal Decree of 27 August 1993

implementing the Belgian Income Tax Code 1992, and (vi) complies with any further requirement imposed by any successor provision to the current relevant Belgian tax provisions or II. (i) is a financial institution or an institution assimilated therewith or a semi-governmental institution for social security or an institution assimilated therewith, (ii) has been the legal owner (*eigenaar/propriétaire*) or usufructuary (*vruchtgebruiker/usufruitier*) of the Registered Mortgage Pandbrief during the entire relevant interest period, (iii) has been registered with the Issuer as the holder of the Registered Mortgage Pandbrief during the entire relevant interest period, (iv) has provided the Issuer with an affidavit in which it is certified that the conditions mentioned in points (i) and (ii) are complied with, with respect to such interest payment on or before the date such affidavit is required to be delivered to the Issuer and (v) complies with any further requirement imposed by any successor provision to the current relevant Belgian tax provisions.

In these Conditions, "**Tax Status Certificate**" means the certificate required by Article 117, §6 of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code 1992 (or any successor provision).

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Mortgage Pandbrieven, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to MP Condition 3 (*Redemption, Purchase and Options) or* any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to MP Condition 2 (*Interest and Other Calculations*) or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this MP Condition 5 (*Tax Gross-up*).

6. Status and ranking of Mortgage Pandbrieven

The Mortgage Pandbrieven are issued in accordance with and are subject to the provisions of the Belgian Covered Bonds Regulations. They will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future. In addition and pursuant to the Belgian Covered Bonds Regulations, the MP Noteholders, together with the holders of any other Mortgage Pandbrieven issued under the MP Programme and any MP Other Creditors as defined in MP Condition 23 (*Post-Acceleration Priority of Payments*), will in case a liquidation procedure is started against the Issuer or in case the Issuer is resolved benefit from a dual recourse consisting of (i) an exclusive recourse against the MP Special Estate and (ii) an unsecured, unsubordinated recourse against the general estate of the Issuer.

7. Specific provisions required by the Belgian Covered Bonds Regulations

(a) *Criteria for transfer of assets from the general estate*

For the purpose of Article 3, §2, second indent of Annex III to the Banking Law, the following criteria shall be applied in circumstances where amounts must be transferred to the Special Estate but cannot be identified within the general estate of the Issuer. In such circumstances, the general estate shall transfer to the MP Special Estate (in consultation between the MP Cover Pool Administrator or the MP Cover Pool Monitor (as applicable) and the Issuer or the bankruptcy administrator of the Issuer (as applicable)), instead of the relevant amounts, unencumbered assets that for determining the amount will be taken into account at their market value and after applying the Haircut (as defined below) in an equal amount determined in the following order of priority:

(i) *first*, credit quality step 1 bonds that are ECB eligible and/or level 1 assets as described in the liquidity risk framework calculation of the Liquidity Coverage Ratio (as pursuant to the Capital Requirements Regulation);

(ii) *failing which*, credit quality step 2 bonds that are ECB eligible and/or level 2 assets as described in the liquidity risk framework calculation of the Liquidity Coverage Ratio (as pursuant to the Capital Requirements Regulation);

(iii) *failing which*, bonds other than (i) or (ii) above that are eligible in repo transactions;

(iv) *failing which*, bonds other than (i), (ii) or (iii) above;

(v) *failing which*, Public Sector Exposure other than (i), (ii), (iii) or (iv);

(vi) *failing which*, Residential Mortgage Loans; and

(vii) *failing any of the above*, such assets as may be selected on behalf of the MP Special Estate by the MP Cover Pool Monitor or MP Cover Pool Administrator (as applicable) in its sole discretion.

"**Haircut**" means:

(i) for unencumbered assets as defined in (i) and (ii) above, the ECB haircut in accordance with the Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy (as may be amended, supplemented, replaced and/or restated from time to time);

(ii) for unencumbered assets as defined in (iii) and (iv) above, 20 per cent.; and

(iii) for unencumbered assets as defined in (v) to (vii) above, 25 per cent.

"**CRD V**" means the Capital Requirements Directive and the Capital Requirements Regulation.

"**Capital Requirements Directive**" means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended from time to time.

"**Capital Requirements Regulation**" means Regulation (EU) No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended from time to time.

(b) *Use of collateral provided under derivative contracts*

Collateral provided under derivative contracts in relation to the Mortgage Pandbrieven or the MP Cover Assets can only be used for obligations in relation to the MP Special Estate and in accordance with the relevant derivative contract.

(c) *Allocation of proceeds from enforcement of security interest*

In circumstances where a security interest (including mortgages and mortgage mandates) secure claims of both the MP Special Estate and the general estate of the Issuer, proceeds from the enforcement of any such security interest shall be shared *pro rata* between the MP Special Estate and the general estate on a *pari passu* basis to the extent that the relevant claims of the general estate relate to Residential Mortgage Loans and such loans were granted to the relevant debtor prior to the date on which the loan(s) which benefit from the same security were registered with the MP Special Estate. To the extent that the relevant claims of the general estate (i) do not relate to Residential Mortgage Loans or (ii) relate to Residential Mortgage Loans but were granted after the date on which the loans which benefit from the same security were registered with the MP Special Estate, proceeds from the enforcement of any such security interest shall be applied in priority to

satisfy the obligations due in respect of the loans registered with the MP Special Estate (and only upon satisfaction in full of the relevant claims of the MP Special Estate shall any of the proceeds be applied against the claims of the general estate which are also secured by such security interest).

8. MP Principal Paying Agent, MP Paying Agent, MP Fiscal Agent and MP Registrar provisions

The names of the initial MP Paying Agents, the MP Fiscal Agent and the initial MP Registrar and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any MP Paying Agent, the MP Fiscal Agent and the MP Registrar and/or appoint additional or other MP Paying Agents or MP Registrars, provided that:

(1) there will at all times be a MP Principal Paying Agent, a MP Fiscal Agent and, as long as any Registered Mortgage Pandbrieven of any Series are outstanding, a MP Registrar for that Series;

(2) so long as the Mortgage Pandbrieven are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a MP Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

Any variation, termination, appointment or change shall only take effect (other than in the case of bankruptcy, when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days' prior notice thereof shall have been given to the MP Noteholders in accordance with MP Condition 9 (*Notices*).

9. Notices

All notices to holders of Dematerialised Mortgage Pandbrieven (including notices to convene a meeting of Noteholders) will be deemed to have been validly given if given through the Securities Settlement System, the systems of Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD or any other Securities Settlement System participant and their participants in accordance with the procedures of the relevant clearing system.

All notices to holders of Registered Mortgage Pandbrieven (including notices to convene a meeting of MP Noteholders) will be mailed by regular post, by fax or by e-mail to the holders at their respective addresses or fax numbers appearing in the register maintained by the Issuer or by the MP Registrar, or by such other means as accepted by such holders.

If sent by post, notices will be deemed to have been given on the fourth Business Day after the date of mailing. If sent by fax, notices will be deemed to have been given upon receipt of a confirmation of the transmission. If sent by e-mail, when the relevant receipt of such communication being read is given, or where no read receipt is requested, by the sender at the time of sending provided that no delivery failure notification is received by the sender within 24 hours of sending such communication.

For so long as Mortgage Pandbrieven are listed on Euronext Brussels (or another regulated market) and if the rules of that exchange so require, any notice to the MP Noteholders shall be published on the website of Euronext Brussels (www.euronext.com) (or the website of such other regulated market) and if (and only if) the rules of that exchange so require, such notice shall also be published in a daily newspaper of general circulation in Belgium (which is expected to be *De Tijd* and *L'Écho*).

If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above or, in the case of direct

notification, any such notice shall be deemed to have been given on the date immediately following the date of notification.

Notwithstanding the above, the MP Noteholders' Representative shall be at liberty to approve any other method of giving notice to MP Noteholders if, in its opinion, such other method is reasonable having regard to the then-prevailing market practice and rules of the competent authority, stock exchange, clearing system or, as the case may be, quotation system on which the Mortgage Pandbrieven are then admitted to trading.

10. MP Cover Pool Monitor

The MP Cover Pool Monitor will fulfil the tasks as set out in the Belgian Covered Bonds Regulations and which is confirmed in an agreement between the MP Cover Pool Monitor and the Issuer. In addition, the MP Cover Pool Monitor and the Issuer have agreed that no Residential Mortgage Loans can be deregistered from the MP Special Estate without the prior approval from the MP Cover Pool Monitor in case such deregistration would lead to a decrease of the ratio between the value of the MP Cover Assets and the outstanding principal amount of the Mortgage Pandbrieven. No approval is required for deregistration of Residential Mortgage Loans with a value of zero nor for a substitution whereby the value of the MP Cover Assets does not decrease due to this substitution

11. Issuer Covenant

For so long as the Mortgage Pandbrieven are outstanding, the Issuer hereby covenants in favour of the MP Noteholders and the MP Noteholders' Representative to ensure that:

(i) it will continuously comply with the obligations applicable to it under the Belgian Covered Bonds Regulations, including the Statutory Tests;

(ii) the MP Special Estate will mainly consist of Residential Mortgage Loans;

(iii) the MP Special Estate will not contain any commercial mortgage loans;

(iv) the value of the Residential Mortgage Loans registered as MP Cover Assets in the MP Cover Register (including any collections in respect thereto) (a) is calculated in accordance with the Belgian Covered Bonds Regulations and (b) will at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Mortgage Pandbrieven of all Series (it being understood that any surplus above 105 per cent. may be composed of other eligible assets under the MP Programme);

(v) only Residential Mortgage Loans with a current loan to current value ratio of maximum 120 per cent. will be added to the MP Special Estate;

(vi) only fully drawn Residential Mortgage Loans will be added to the MP Special Estate; and

(vii) the MP Special Estate will at all times include cover assets which (a) are eligible as collateral for Eurosystem monetary policy purposes and intra-day credit operations by the Eurosystem, (b) have a credit quality step 1 as defined in the Capital Requirements Regulation; (c) are subject to a daily mark-to-market and have a market value which, after applying the ECB haircut in accordance with the Guideline 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy (as may be amended, supplemented, replaced and/or restated from time to time), is higher than the amount of interest due and payable on the outstanding Mortgage Pandbrieven within a period of one year, (d) have a remaining maturity of more than one year, and (e) are not debt issued by the Issuer.

12. MP Noteholders' Waiver

The MP Noteholders waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian (Old) Civil Code to rescind (*ontbinden/résoudre*), or demand in legal

proceedings the rescission (*ontbinding/résolution*) of, the Mortgage Pandbrieven and (ii) all their rights whatsoever in respect of Mortgage Pandbrieven pursuant to Article 7:64 of the Belgian Code of Companies and Associations (right to rescind (*ontbinden/résoudre*).

13. Prescription

Claims against the Issuer for payment in respect of the Mortgage Pandbrieven shall be prescribed and become void, unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

14. Rules of Organisation of the MP Noteholders

The Rules of Organisation of the MP Noteholders are attached to, and form an integral part of, these MP Conditions. References in these MP Conditions to the Rules of Organisation of the MP Noteholders include such rules as from time to time modified in accordance with the provisions contained therein and any agreement or other document expressed to be supplemental thereto.

Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations relating to the noteholders' meeting shall not apply to any issuance of the Mortgage Pandbrieven.

15. MP Noteholders' Representative

As long as the Mortgage Pandbrieven are outstanding, there shall at all times be a representative of the MP Noteholders (the "**MP Noteholders' Representative**") in accordance with Article 14, §2 of Annex III to the Banking Law, who has the power to exercise the rights conferred on it by these MP Conditions, the Rules of Organisation of the MP Noteholders and the law in order to protect the interests of the MP Noteholders. The MP Noteholders' Representative must give account of its performance in accordance with the MP Noteholders' Representative Agreement.

The Issuer has appointed Stichting Belfius Mortgage Pandbrieven Noteholders' Representative as MP Noteholders' Representative and the MP Noteholders' Representative has accepted such appointment for the period commencing on the Issue Date and, subject to early termination of its appointment, ending on the date on which all Series of the Mortgage Pandbrieven have been cancelled or redeemed in accordance with these MP Conditions and on which all claims of the MP Other Creditors (to the extent represented by the MP Noteholders' Representative) against the MP Special Estate have been settled.

By reason of holding Mortgage Pandbrieven, each MP Noteholder (including, for the avoidance of doubt, each holder of a Mortgage Pandbrief subject to terms not contemplated by the Base Prospectus):

(i) recognises the MP Noteholders' Representative as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the MP Noteholders' Representative in such capacity as if such MP Noteholder were a signatory thereto; and

(ii) acknowledges and accepts that the Issuer shall not be liable, except in case of fraud, in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the MP Noteholders as a result of the performance by the MP Noteholders' Representative of its duties or the exercise of any of its rights under these MP Conditions (including the Rules of Organisation of the MP Noteholders).

The MP Noteholders' Representative can also be appointed to represent MP Other Creditors provided that those MP Other Creditors agree with such representation.

16. Conflicts of Interest

The MP Noteholders' Representative shall have regard to the overall interests of the MP Noteholders and of the MP Other Creditors that have agreed to be represented by the MP Noteholders' Representative. The MP

Noteholders' Representative shall not be obliged to have regard to any interests arising from circumstances particular to individual MP Noteholders or such MP Other Creditors whatever their number.

The MP Noteholders' Representative shall, as regards the powers, authorities and discretions vested in it, except where expressly provided otherwise, have regard to the interests of both the MP Noteholders and the MP Other Creditors of the Issuer which it represents but if, in the opinion of the MP Noteholders' Representative, there is a conflict between their interests the MP Noteholders' Representative will have regard solely to the interest of the MP Noteholders.

17. Meetings of MP Noteholders

(a) *Meetings of MP Noteholders*

The Rules of Organisation of the MP Noteholders contain provisions for convening meetings of MP Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification or waiver of any provision of the MP Conditions applicable to any relevant Series of Mortgage Pandbrieven. For the avoidance of doubt, any such modification or waiver shall be subject to the consent of the Issuer.

All meetings of MP Noteholders will be held in accordance with the provisions of the Rules of Organisation of the MP Noteholders. Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations with respect to MP Noteholders' meetings will not apply to any issuance of Mortgage Pandbrieven.

(b) *Written Resolutions*

A written resolution signed by the holders of 75 per cent. in principal amount of the relevant Series of the Mortgage Pandbrieven outstanding shall take effect as if it were an Extraordinary Resolution. A written resolution signed by the holders of 50 per cent. in principal amount of the relevant Series of the Mortgage Pandbrieven outstanding shall take effect as if it were an Ordinary Resolution. To the extent permitted by the applicable law, a written resolution signed by the holders of 50 per cent. in principal amount of the Mortgage Pandbrieven outstanding as if they were a single Series shall take effect as if it were a MP Programme Resolution. Such resolutions in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more MP Noteholders.

18. Amendments to the MP Conditions

Amendments to the MP Conditions shall be made in accordance with the Rules of Organisation of the MP Noteholders, and in particular in accordance with Articles 6.1, 6.3 and 18 thereof.

19. No Exchange of Registered Mortgage Pandbrieven

Registered Mortgage Pandbrieven may not be exchanged for Dematerialised Mortgage Pandbrieven.

20. Further Issues

The Issuer may from time to time without the consent of the MP Noteholders create and issue further Mortgage Pandbrieven having the same terms and conditions as the Mortgage Pandbrieven (so that, for the avoidance of doubt, references in these Conditions to "**Issue Date**" shall be to the first issue date of the Mortgage Pandbrieven) and so that the same shall be consolidated and form a single series with such Mortgage Pandbrieven, and references in these MP Conditions to "Mortgage Pandbrieven" shall be construed accordingly.

21. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Mortgage Pandbrief is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by the Issuer to any MP Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer, to the extent of the amount in the currency of payment under the relevant Mortgage Pandbrief that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Mortgage Pandbrief, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this MP Condition 21, it shall be sufficient for the MP Noteholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any MP Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Mortgage Pandbrief, or any other judgment or order.

22. Payment Default and Cross-Acceleration

Failure by the Issuer to pay (i) any principal amount in respect of any Mortgage Pandbrief on the Extended Maturity Date or pursuant to MP Condition 3(j)(v) (*Redemption, Purchase and Options – Extension of Maturity up to Extended Maturity Date*), or (ii) any interest in respect of any Mortgage Pandbrief within five (5) Business Days from the day on which such interest becomes due and payable, shall constitute a payment default ("**Payment Default**") if such failure remains unremedied for ten (10) Business Days after the MP Noteholders' Representative has given written notice thereof to the Issuer by registered mail or per courier and with return receipt ("**Payment Notice**"). In case of failure by the MP Noteholders' Representative to deliver such Payment Notice, any MP Noteholder may deliver such Payment Notice to the Issuer (with a copy to the MP Noteholders' Representative). The date on which a Payment Default occurs shall be the date on which the MP Noteholders' Representative or any MP Noteholder has given notice of such Payment Default plus ten (10) Business Days (the "**Payment Default Date**").

Without prejudice to the powers granted to the MP Cover Pool Administrator, if a Payment Default occurs in relation to a particular Series, the MP Noteholders' Representative may, and shall if so requested in writing by the MP Noteholders of at least $66^{2/3}$ per cent. of the outstanding principal amount of the relevant Series of the Mortgage Pandbrieven then outstanding (excluding any Mortgage Pandbrieven which may be held by the Issuer), serve a notice on the Issuer ("**Acceleration Notice**") by registered mail or per courier and with return receipt that a Payment Default has occurred in relation to such Series, provided in each case it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Acceleration Notice will specify the date on which the Mortgage Pandbrieven become immediately due and payable (the "**Acceleration Date**"), which will be at least two Business Days after the Payment Default Date. A copy of the Acceleration Notice shall be sent to the NBB-SSS, the MP Noteholders, the relevant Rating Agencies and the MP Cover Pool Monitor.

From and including the Acceleration Date:

(i) the Mortgage Pandbrieven shall become immediately due and payable at their Early Redemption Amount;

(ii) if a Payment Default is triggered with respect to a Series, each Series of Mortgage Pandbrieven will cross accelerate at the Acceleration Date against the Issuer, becoming due and payable, and they will rank *pari passu* among themselves;

(iii) the MP Noteholders' Representative on behalf of the MP Noteholders, shall have a claim against the Issuer for an amount equal to the Early Redemption Amount and any other amount due under the Mortgage Pandbrieven; and

(iv) the MP Noteholders' Representative on behalf of the MP Noteholders shall be entitled to take any steps and proceedings against the Issuer to enforce the provisions of the Mortgage Pandbrieven. The MP Noteholders' Representative may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer as it may think fit to enforce such payments, but it shall, subject to be indemnified and/or prefunded to its satisfaction, not be bound to take any such proceedings or steps, unless requested or authorised by an Extraordinary Resolution.

Accordingly and for the avoidance of doubt, if an acceleration date occurs under any of the outstanding Series of Mortgage Pandbrieven (as such term is defined under the Series under which such acceleration date occurs), the Mortgage Pandbrieven shall cross accelerate on such acceleration date in accordance with item (ii) above (as set out in the conditions applicable to such Series) and shall become immediately due and payable. An acceleration notice under the Public Pandbrieven Programme will however not trigger an acceleration of the outstanding Mortgage Pandbrieven under the Mortgage Pandbrieven Programme (hence no cross-acceleration between the Programmes).

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this MP Condition 22 by the MP Noteholders' Representative shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the MP Noteholders and (in such absence as aforesaid) no liability to the MP Noteholders or the Issuer shall attach to the MP Noteholders' Representative in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

23. Post-Acceleration Priority of Payments

All monies (other than amounts standing to the credit of a swap collateral account which will be applied in accordance with the provisions of the relevant swap agreement) received or recovered by the MP Special Estate (whether in the administration, the liquidation of the Special Estate or otherwise) following (i) the service of an Acceleration Notice or (ii) a liquidation of the MP Special Estate in accordance with Article 11, 6° or 7° of Annex III to the Banking Law, will be applied in the following order of priority (the "**Post-Acceleration Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made:

(a) *first*, in or towards satisfaction of all amounts due and payable, including any costs, charges, liabilities and Expenses, to the MP Cover Pool Administrator (including any of its representatives and delegates);

(b) *second*, in or towards satisfaction of all amounts due and payable, including any costs, charges, liabilities and Expenses, to the MP Noteholders' Representative;

(c) *third*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of any Expenses which are due and payable to the MP Operating Creditors;

(d) *fourth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of (i) any Pari Passu Swap Amounts and (ii) any payments of amounts due and payable to MP Noteholders *pro rata* and *pari passu* on each Series in accordance with these MP Conditions;

(e) *fifth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of any Junior Swap Amounts ;

(f) *sixth*, thereafter any remaining monies will be paid to the general estate of the Issuer.

"**Expenses**" means any costs, charges, liabilities, expenses or other amounts payable by the Issuer or by the MP Special Estate, as applicable, to any MP Operating Creditor plus any value added tax or any other tax or duty payable thereon.

"**Junior Swap Amount**" means any swap termination amount whereby the MP Derivative Contract Counterparty is the defaulting party or any such other amount, including any costs, charges, liabilities and expenses, due and payable to a MP Derivative Contract Counterparty (in accordance with the relevant swap agreement) and which under the relevant swap agreement are expressed to rank junior to interest and principal due to MP Noteholders and any other party ranking senior in accordance with the Post-Acceleration Priority of Payments.

"**MP Derivative Contract Counterparty**" means a derivative contract counterparty under a swap agreement entered into by the Issuer in relation to the MP Special Estate.

"**MP Operating Creditor**" means any of (1) the MP (Principal) Paying Agent, (2) the MP Fiscal Agent, (3) the MP Cover Pool Monitor, (4) the MP Registrar, (5) the MP Servicer, (6) any account bank holding assets on behalf of the MP Special Estate, (7) any stock exchange on which the Mortgage Pandbrieven are listed, (8) the Issuer's statutory auditor(s), legal counsel and tax advisers for services provided for the benefit of the MP Special Estate, (9) the Rating Agencies in relation to any Mortgage Pandbrieven issued under the MP Programme, (10) any independent accountant or independent calculation agent for services provided for the benefit of the MP Special Estate, (11) any custodian in relation to the MP Programme, (12) any agent or party appointed in accordance with the MP Programme Documents or any other creditor of amounts due in connection with the management and administration of the MP Special Estate and (13) any other creditor which may have a claim against the MP Special Estate as a result of any services provided or contracts entered into in relation to the Mortgage Pandbrieven or the MP Progamme, as may from time to time be specified in the MP Conditions of any Mortgage Pandbrieven issued under the MP Programme.

"**MP Other Creditor**" means the MP Noteholders' Representative, any MP Operating Creditor, any MP Derivative Contract Counterparty and the MP Cover Pool Administrator.

"**Pari Passu Swap Amount**" means each amount, including any costs, charges, liabilities and expenses, due and payable to a MP Derivative Contract Counterparty and which under the relevant swap agreement are expressed to rank *pari passu* with interest or principal (as applicable) due to MP Noteholders.

24. Action by MP Noteholders' Representative

Only the MP Noteholders' Representative may enforce the rights of the MP Noteholders under the Mortgage Pandbrieven and/or the MP Programme Documents against the Issuer (or MP Special Estate, as applicable).

Unless explicitly provided otherwise in the MP Conditions, no person shall be entitled to proceed directly against the Issuer to enforce the performance of any provision of the Mortgage Pandbrieven and/or the MP Programme Documents.

However, if the MP Noteholders' Representative does not react or does not take any action within ten (10) calendar days of being so directed by the MP Noteholders in accordance with the MP Conditions and the Rules of Organisation of the MP Noteholders, then the MP Noteholders shall have individual rights to enforce the performance of any provision of the Mortgage Pandbrieven and/or the MP Programme Documents. Such rights remain however subject to the required quorums, where applicable.

25. Governing Law and Jurisdiction

(a) *Governing Law*

The Mortgage Pandbrieven (and any non-contractual obligations arising out of or in connection with the Mortgage Pandbrieven) are governed by, and construed in accordance with, Belgian law.

(b) Jurisdiction

The Dutch speaking *(Nederlandstalige/Néerlandophones)* courts of Brussels, Belgium are to have jurisdiction to settle any disputes that may arise out of or in connection with any Mortgage Pandbrieven (including any disputes relating to any non-contractual obligations arising out of or in connection with the Mortgage Pandbrieven).

8.2 TERMS AND CONDITIONS OF THE PUBLIC PANDBRIEVEN

*Unless otherwise specified, the following are the terms and conditions (the "**PP Conditions**") which shall apply to the Public Pandbrieven, as completed, supplemented, amended and/or varied in accordance with the provisions of Part A of the relevant final terms based on the form set out in the Base Prospectus (the "**PP Final Terms**"). The text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Part A of the PP Final Terms.*

*The Issuer may also issue from time to time Public Pandbrieven under the Belgian Public Pandbrieven Programme (the "**PP Programme**") which shall be subject to terms and conditions and/or final terms not contemplated by the base prospectus adopted in relation to the PP Programme (the "**Base Prospectus**"). In such circumstances, the relevant terms or form of terms of such Public Pandbrieven will be set out in a schedule to the PP Programme Agreement (as defined below).*

All capitalised terms that are not defined in these PP Conditions will have the meanings given to them in the relevant PP Final Terms. Save where an intention to the contrary appears, references in the PP Conditions to "**Public Pandbrieven**" are to the Public Pandbrieven of one Series only, not to all Public Pandbrieven that may be issued under the PP Programme.

The Public Pandbrieven are issued by Belfius Bank SA/NV (the "**Issuer**" or "**Belfius Bank**") in series, each a "**Series**", having one or more issue dates and on terms otherwise identical (or identical save as to the issue date, first payment of interest, the issue price and/or the Temporary ISIN Code and Temporary Common Code (if any and as defined in the applicable PP Final Terms)). Once consolidated, the Public Pandbrieven of each Series are intended to be interchangeable with all other Public Pandbrieven of the same Series. Each Series may comprise one or more Tranches issued on the same or different issue dates. A "**Tranche**" means Public Pandbrieven which are identical in all respects (including as to listing). The specific terms of each Tranche (including, without limitation, the aggregate principal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant PP Dealer(s) at the date of issuance and will be set out in the PP Final Terms of such Tranche. In these PP Conditions, "**PP Noteholder**" or "**holder of any Public Pandbrief**" means the person in whose name a Registered Public Pandbrief is registered or, as the case may be, the person evidenced as holding the Dematerialised Public Pandbrief by the book-entry system maintained in the records of the clearing system operated by the National Bank of Belgium (the "**NBB-SSS**") or any successor thereto (the "**Securities Settlement System**"), its participants or any recognised accountholder within the meaning of Article 7:35 of the Belgian Code of Companies and Associations. Any reference to "amount(s)" should be construed as a reference to such amount in euro (if the amount is denominated in euro) or its euro equivalent (if the amount is not denominated in euro).

The Public Pandbrieven are issued pursuant to the programme agreement dated 15 July 2014 (as amended, supplemented, replaced and/or restated from time to time, the "**PP Programme Agreement**") between the Issuer, Stichting Belfius Public Pandbrieven Noteholders' Representative in its capacity as representative of the PP Noteholders and of any other creditors that are holders of claims covered by the PP Special Estate and that have agreed to be so represented (the "**PP Noteholders' Representative**") and any other party named therein. The powers and rights conferred on the PP Noteholders' Representative are laid down in these PP Conditions, the Rules of Organisation of the PP Noteholders and in the contractual arrangements between the PP Noteholders' Representative and the Issuer (the noteholders' representative agreement, initially dated 15 July 2014 and as amended, supplemented, replaced and/or restated from time to time, the "**PP Noteholders' Representative Agreement**"). Furthermore, the Public Pandbrieven will have the benefit of an agency agreement (dated 15 July 2014 as amended, supplemented, replaced and/or restated from time to time, the "**PP Agency Agreement**") between the Issuer, Belfius Bank (among others) in its capacity as fiscal agent for Public Pandbrieven (the "**PP Fiscal Agent**") and the other agents named therein.

The principal paying agent, the paying agents, the fiscal agent, the registrar and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "**PP Principal Paying Agent**", the "**PP Paying Agents**" (which expression shall, unless the context requires otherwise, include the Principal Paying Agent), the "**PP Fiscal Agent**", the "**PP Registrar**" and the "**PP Calculation Agent(s)**". The PP Noteholders are deemed to have notice of and have accepted to be bound by all of the provisions of the PP Programme Agreement, the PP Noteholders' Representative Agreement and the PP Agency Agreement applicable to them.

Any reference herein to any agreement, document, law, decree or regulation shall be construed as a reference to such agreement, document, law, decree or regulation as the same may be supplemented, varied, recast, amended and/or restated from time to time.

The PP Programme Agreement, the PP Noteholders' Representative Agreement, the PP Agency Agreement, the PP Distribution Agreement and the Articles of Association of the Issuer are available, during normal business hours on any Business Day, for inspection free of charge at the specified offices of the Issuer and each of the PP Paying Agents for the period of 12 months following the date of this Base Prospectus.

1. Type, Form, Denomination, Title and Transfer

(a) *Type of Belgian pandbrieven*

The Public Pandbrieven are issued as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) in accordance with the Belgian Covered Bonds Regulations and are covered by the same special estate (*bijzonder vermogen/patrimoine spécial*) of the Issuer constituted pursuant to Article 3 of Annex III to the Banking Law in relation to the PP Programme and in which the PP Cover Assets (as defined below) are segregated (the "**PP Special Estate**"). The main asset class of the Special Estate will consist of Belfius Bank's public sector exposures which meets the criteria set out in Article 3, §1, 3° of the Covered Bonds Royal Decree, comprising, among others, loans (*leningen/prêts*) of Belfius Bank SA/NV (or its legal predecessors) to (or loans guaranteed by) central, regional or local authorities and public sector entities of member states of the Organisation for Economic Co-operation and Development (OECD) (the "**Public Sector Exposure**", and together with any other assets registered as cover assets (*dekkingsactiva/actifs de couverture*), the "**PP Cover Assets**"). The Public Sector Exposure are primary assets (*primaire active/actifs principaux*) as defined in Article 1, 9° of Annex III to the Banking Law ("**Primary Assets**"). The Issuer shall procure that the value of the Public Sector Exposure which is part of the PP Special Estate calculated in accordance with the Belgian Covered Bonds Regulations (and including any collections in respect thereof) represent at all times at least 105 per cent. of the aggregate outstanding principal amount of the Public Pandbrieven of all Series. The Supervisory Authority has admitted the Programme to the list of authorised programmes for the issuance of covered bonds under the category Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) on 10 June 2014. Upon so being notified by the Issuer, the Supervisory Authority shall regularly update such list with the Public Pandbrieven issued under the PP Programme and shall indicate that the Public Pandbrieven constitute Belgian pandbrieven under the Belgian Covered Bonds Regulations. The Public Pandbrieven can also be referred to as "European covered bonds (premium)" (*Europese gedekte obligaties (premium)/obligation garantie européenne (de qualité supérieure)*) in accordance with the Belgian Covered Bonds Regulations.

(b) *Form and Denomination*

The Public Pandbrieven can be issued in dematerialised form ("**Dematerialised Public Pandbrieven**") or in registered form ("**Registered Public Pandbrieven**").

Dematerialised Public Pandbrieven are issued in dematerialised form via a book-entry system maintained in the records of the Securities Settlement System in accordance with Article 7:35 et seq. of the Belgian Code of Companies and Associations and will be credited to the accounts held with the Securities Settlement System by Euroclear Bank SA/NV ("**Euroclear Bank**"), Clearstream Banking AG, Frankfurt ("**Clearstream Banking Frankfurt**"), SIX SIS Ltd, Switzerland ("**SIX SIS**"), Monte Titoli S.p.A., Italy ("**Euronext Securities Milan**"), Euroclear France SA, Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Euronext Securities Porto**"), LuxCSD S.A. ("**LuxCSD**") or other Securities Settlement System participants or their participants. The Dematerialised Public Pandbrieven are accepted for clearance through the Securities Settlement System, and are accordingly subject to the applicable clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities (*Wet betreffende de transacties met bepaalde effecten/Loi relative aux opérations sur certaines valeurs mobilières*), its implementing royal decrees of 26 May 1994 and 14 June 1994 and the rules of the Securities Settlement System and its annexes, as issued or modified by the NBB-SSS from time to time (the laws, decrees and rules mentioned in this PP Condition being referred to herein as the "**Securities Settlement System Regulations**"). If at any time, the Dematerialised Public Pandbrieven are transferred to another clearing system, not operated or not exclusively operated by the NBB-SSS, these PP Conditions shall apply *mutatis mutandis* to such successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an "**Alternative Clearing System**").

Registered Public Pandbrieven will be registered in a register maintained by the Issuer or by a registrar on behalf of the Issuer (the "**PP Registrar**") in accordance with Article 7:23 et seq. of the Belgian Code of Companies and Associations. Holders of Registered Public Pandbrieven can obtain a certificate demonstrating the registration of the Registered Public Pandbrieven in the register.

All Public Pandbrieven of the same Series shall have the denomination shown in the applicable PP Final Terms as Specified Denomination. In the case of any Public Pandbrieven which are to be admitted to trading on a regulated market within the EEA or the UK or offered to the public in a Relevant State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the Specified Denomination shall be EUR 100,000 (or the equivalent of at least EUR 100,000 in any other currency as at the date of issuance of the relevant Public Pandbrieven).

(c) *Title and Transfer*

Title to and transfer of Dematerialised Public Pandbrieven will be evidenced only by records maintained by the Securities Settlement System, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD or other Securities Settlement System participants and in accordance with the applicable procedures of the Securities Settlement System, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD and other Securities Settlement System participants.

Title to and transfer of Registered Public Pandbrieven shall pass by registration of the transfer by the Issuer or by the Registrar in a register in accordance with Article 7:23 et seq. of the Belgian Code of Companies and Associations. In case of a sale or transfer of the Registered Public Pandbrieven, the transferor and transferee thereof will be obliged to complete the relevant transfer documents and certificates which can be found on www.belfius.be or can be obtained from the PP Registrar.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Public Pandbrief shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(d) *Transfer Free of Charge*

Transfer of Public Pandbrieven on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer and/or the PP Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the PP Registrar may require).

(e) *Closed Periods*

No PP Noteholder may require the transfer of a Registered Public Pandbrief to be registered (i) during the period of 15 calendar days ending on (but excluding) the due date for redemption of that Public Pandbrief, (ii) during the period of 15 calendar days before (but excluding) any date on which Public Pandbrieven may be called for redemption by the Issuer at its option pursuant to PP Condition 3(f) (*Redemption, Purchase and Options – Redemption at the option of the Issuer and exercise of Issuer's option*), (iii) after any such Public Pandbrief has been called for redemption or (iv) during the period of 15 calendar days ending on (and including) any Record Date.

2. Interest and Other Calculations

(a) *Rate of Interest on Fixed Rate Public Pandbrieven*

Each Fixed Rate Public Pandbrief bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal (subject as provided in PP Condition 2(g) (*Interest and Other Calculations - Margin, Maximum Rate of Interest, Minimum Rate of Interest, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts and Rounding*)) to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with PP Condition 2(h) (*Interest and Other Calculations – Calculations*).

(b) *Rate of Interest on Floating Rate Public Pandbrieven*

(A) Each Floating Rate Public Pandbrief bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal (subject as provided in PP Condition 2(g) (*Interest and Other Calculations - Margin, Maximum Rate of Interest, Minimum Rate of Interest, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts and Rounding*)) to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with PP Condition 2(h) (*Interest and Other Calculations – Calculations*). The "**Interest Payment Date**" means the date shown in the applicable PP Final Terms as a Specified Interest Payment Date, or, if no Specified Interest Payment Date is shown in the applicable PP Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown therein as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(B) Where **ISDA Determination** is specified in the applicable PP Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the PP Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the

Floating Rate that would be determined by the PP Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option is as specified in the applicable PP Final Terms;

(b) the Designated Maturity is a period specified in the applicable PP Final Terms; and

(c) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the applicable PP Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(C) Where **Screen Rate Determination** is specified in the applicable PP Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the PP Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the PP Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations. The amount of interest payable shall be determined in accordance with PP Condition 2(h) (*Interest and Other Calculations – Calculations*).

If the Reference Rate from time to time in respect of Floating Rate Public Pandbrieven is specified in the applicable PP Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Public Pandbrieven will be determined as provided in the applicable PP Final Terms.

For the purposes of the foregoing:

(a) if the Relevant Screen Page is not available or if, sub-paragraph (C)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (C)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the PP Calculation Agent shall request, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the PP Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the PP Calculation Agent with such offered quotations,

the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the PP Calculation Agent; and

(b) if paragraph (a) above applies and the PP Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the PP Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, or, if fewer than two of the Reference Banks provide the PP Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are, in the opinion of the Issuer, suitable for such purpose) informs the PP Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, instead of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(c) *Linear Interpolation*

Where Linear Interpolation is specified in the PP Final Terms as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the PP Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the PP Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity.

(d) *Rate of Interest on Zero Coupon Public Pandbrieven*

Where a Public Pandbrief, the Rate of Interest of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be, unless otherwise provided in the applicable PP Final Terms, the Early Redemption Amount (as defined in PP Condition 3(b) (*Redemption, Purchase and Options – Early Redemption*) of such Public Pandbrief. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Public Pandbrief shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in PP Condition 3(b) (*Redemption, Purchase and Options – Early Redemption*)).

(e) *Accrual of interest and late payment interest*

Subject as provided in PP Condition 2(j) (*Interest and Other Calculations - Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Public Pandbrieven up to the Extended Maturity Date*), interest shall cease to accrue on each Public Pandbrief on the due date for redemption unless (i) payment of principal is improperly withheld or refused, in which event interest shall continue to accrue at the Rate of Interest in the manner provided in this PP Condition to the Relevant Date (as defined in PP Condition 5 (*Tax Gross-up*)), or (ii) a Public Pandbrief is partially redeemed, in which event interest shall only cease to accrue in respect of the redeemed part of such Public Pandbrief.

(f) *Business Day Convention*

If any date referred to in these PP Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, or (ii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, or (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

In the event of Public Pandbrieven cleared through the Securities Settlement System, the Following Business Day Convention will always be applicable.

(g) *Margin, Maximum Rate of Interest, Minimum Rate of Interest, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts and Rounding*

(i) If any Margin is specified in the applicable PP Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest (in the case of (x)), or the Rate of Interest for the specified Interest Accrual Periods (in the case of (y)), by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is specified in the applicable PP Final Terms, then any Rate of Interest, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these PP Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) *Calculations*

The amount of interest payable per Calculation Amount (as determined in the applicable PP Final Terms) in respect of any Public Pandbrief for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the applicable PP Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless a Fixed Coupon Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Public Pandbrief for such Interest Accrual Period shall equal such Fixed Coupon Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Fixed Coupon Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

The PP Calculation Agent shall, as soon as practicable on each date as the PP Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the PP Principal Paying Agent, the Issuer, each of the PP Paying Agents, the PP Noteholders, the PP Noteholders' Representative, any other PP Calculation Agent appointed in respect of the Public Pandbrieven that is to make a further calculation upon receipt of such information and, if the Public Pandbrieven are listed on a stock exchange and the rules of such exchange so require, such stock exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such stock exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to PP Condition 2(f) (*Interest and Other Calculations - Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount, Early Redemption Amount and Optional Redemption Amount, the obtaining of each quote and the making of each determination or

calculation by the PP Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Public Pandbrieven up to the Extended Maturity Date*

(i) If the maturity of the Public Pandbrieven is extended beyond the Maturity Date in accordance with PP Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), the Public Pandbrieven shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of (i) the relevant Interest Payment Date after the Maturity Date on which the Public Pandbrieven are redeemed in full, (ii) the Extended Maturity Date, or (iii) the date on which the Public Pandbrieven are redeemed in full in accordance with PP Condition 3(j)(v) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), subject to PP Condition 2(e) (*Interest and Other Calculations - Accrual of interest and late payment interest*). In that event, interest shall be payable on those Public Pandbrieven at the rate determined in accordance with PP Condition 2(j)(ii) on the outstanding principal amount of the Public Pandbrieven in arrears on the relevant interest payment date (i.e., on the Extension Payment Date on which the Public Pandbrieven are redeemed in full, the Extended Maturity Date or the date on which the Public Pandbrieven are redeemed in full in accordance with PP Condition 3(j)(v) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), as applicable). The final Interest Payment Date shall fall no later than the Extended Maturity Date.

(ii) If the maturity of the Public Pandbrieven is extended beyond the Maturity Date in accordance with PP Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), the rate of interest payable from time to time in respect of the outstanding principal amount of the Public Pandbrieven on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable PP Final Terms and, where applicable, determined by the PP Principal Paying Agent or, where the applicable PP Final Terms specifies a PP Calculation Agent, the PP Calculation Agent so specified, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable PP Final Terms.

(iii) In the case of Public Pandbrieven which are Zero Coupon Public Pandbrieven up to (and including) the Maturity Date, for the purposes of this PP Condition 2(j) (*Interest and Other Calculations - Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Public Pandbrieven up to the Extended Maturity Date*) the outstanding principal amount shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these PP Conditions.

(iv) This PP Condition 2(j) (*Interest and Other Calculations - Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Public Pandbrieven up to the Extended Maturity Date*) shall only apply to Public Pandbrieven if the Issuer has insufficient funds available to redeem those Public Pandbrieven in full within five Business Days after the Maturity Date or if, on such Maturity Date, there is another Series of Public Pandbrieven outstanding which was previously extended and which the Issuer fails to fully redeem on or prior to the Maturity Date, and the maturity of those Public Pandbrieven is automatically extended up to the Extended Maturity Date in accordance with PP Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*).

(k) *PP Calculation Agent*

The Issuer shall procure that there shall at all times be one or more PP Calculation Agents if provision is made for them in the applicable PP Final Terms and for so long as any Public Pandbrief is outstanding (as defined in the PP Agency Agreement). Where more than one PP Calculation

Agent is appointed in respect of the Public Pandbrieven, references in these PP Conditions to the PP Calculation Agent shall be construed as each PP Calculation Agent performing its respective duties under the PP Conditions. The PP Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. Nevertheless, if the PP Calculation Agent is unable or unwilling to act as such or if the PP Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer may calculate this amount in such manner as it shall deem fair and reasonable in all circumstances but taking into account the provisions of the applicable PP Final Terms. In making such determination or calculation, the Issuer may rely on a leading bank or financial institution engaged in the inter-bank market to act as such in its place or may appoint a leading bank or financial institution to act as such in its place. The Issuer will give notice of such calculations in accordance with this PP Condition 2 (*Interest and Other Calculations*).

(l) *Benchmark replacement*

In addition, notwithstanding the other provisions in this PP Condition 2, if the Issuer determines that a Benchmark Event occurs in relation to the relevant Reference Rate specified in the applicable PP Final Terms when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Public Pandbrieven:

(i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with an Independent Adviser with a view to the Issuer determining (without any requirement for the consent or approval of the PP Noteholders) (A) a Successor Rate (as defined below) or, failing which, an Alternative Reference Rate (as defined below), for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Public Pandbrieven and (B) in either case, an Adjustment Spread (as defined below);

(ii) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date (as defined below), the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this PP Condition 2(l);

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this PP Condition 2(l));

(iv) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the PP Noteholders) also specify changes to these PP Conditions, including but not limited to (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, and/or the definition of Reference Rate applicable to the Public Pandbrieven and (B) the method for determining the fall-back rate in relation to the Public Pandbrieven, in any such case in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate or any Adjustment Spread (as applicable). If

the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the PP Fiscal Agent and any other agents party to the PP Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the PP Agency Agreement and these PP Conditions as may be required in order to give effect to the application of this PP Condition 2(l). No consent shall be required from the PP Noteholders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps to be taken by the PP Fiscal Agent and any other agents party to the PP Agency Agreement (if required or useful); and

(v) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the PP Calculation Agent, the PP Fiscal Agent and, in accordance with PP Condition 10 (*Notices*), the PP Noteholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the PP Agency Agreement and these PP Conditions (if any),

provided that the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) and any other related changes to the Public Pandbrieven, shall be made in accordance with the relevant Applicable Banking Regulations (if applicable).

An Independent Adviser appointed pursuant to this PP Condition 2(l) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the PP Calculation Agent, the PP Fiscal Agent or the PP Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this PP Condition 2(l).

Without prejudice to the obligations of the Issuer under this PP Condition 2(l), the Reference Rate and the other provisions in this PP Condition 2 will continue to apply unless and until the PP Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the PP Agency Agreement and these PP Conditions (if any).

(m) *Definitions*

In these PP Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the PP Noteholders as a result of the replacement of the Reference Rate with the

Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iv) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser (if any) and acting in good faith, determines to be appropriate.

"**Alternative Reference Rate**" means the rate that the Issuer determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the relevant Reference Rate.

"**Applicable Banking Regulation**" means at any time, the laws, regulations, rules, guidelines and policies of the Lead Regulator, or of the European Parliament and Council then in effect in Belgium, relating to capital adequacy and applicable to the Issuer at such time (for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRD IV).

"**Banking Law**" means the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms (*Wet van 25 april 2014 op het statuut van en het toezicht op de kredietinstellingen en beursvennootschappen/Loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit et des sociétés de bourse*), as amended from time to time.

"**Belgian Code of Companies and Associations**" means the Belgian *Wetboek van Vennootschappen en Verenigingen / Code des Sociétés et des Associations* of 23 March 2019, as further amended, supplemented and/or replaced from time to time.

"**Belgian Covered Bonds Regulations**" means Book II, Title II, Chapter IV, Section III of, and Annex III to, the Banking Law, the Mobilisation Law, the Covered Bonds Royal Decree, the Cover Pool Administrator Royal Decree, the NBB Covered Bonds Regulation, the NBB Cover Pool Monitor Regulation and any other law, royal decree, regulation or order that may be passed or taken in relation to Belgian covered bonds, as amended, supplemented and/or replaced from time to time.

"**Benchmark Event**" means:

(i) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the relevant Reference Rate stating that it will, by a specified date within the following six months, cease to publish the relevant

Reference, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the relevant Reference Rate stating that the relevant Reference Rate has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor or the administrator of the relevant Reference Rate that means that the relevant Reference Rate will be prohibited from being used within the following six months; or

(v) it has become unlawful for the PP Calculation Agent, the PP Fiscal Agent or any other agents party to the PP Agency Agreement to calculate any payments due to be made to any PP Noteholders using the relevant Reference Rate.

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which banks are open for general business in Belgium and on which commercial banks settle payments in the principal financial centre for such currency; and

(ii) in the case of euro, a day (a) other than a Saturday or Sunday on which the NBB-SSS is operating and (b) on which banks are open for general business in Belgium and (c) (if a payment in euro is to be made on that day), which is a business day for the TARGET2 System (a "**TARGET Business Day**"); and

(iii) in the case of a currency other than euro and one or more business centres (the "**Business Centre(s)**") as specified in the applicable PP Final Terms, a day (other than a Saturday or a Sunday) on which banks are open for general business in Belgium and on which commercial banks settle payments in such currency in each of the Business Centres.

"**Cover Pool Administrator Royal Decree**" means the Royal Decree of 11 October 2012 on the cover pool administrator in the context of the issue of Belgian covered bonds by a Belgian credit institution (*Koninklijk Besluit van 11 oktober 2012 betreffende de portefeuillebeheerder in het kader van de uitgifte van Belgische covered bonds door kredietinstellingen naar Belgisch recht/Arrêté Royal du 11 octobre 2012 relatif au gestionnaire de portefeuille dans le cadre de l'émission de covered bonds belges par un établissement de crédit de droit belge*), as amended by the Decree of 27 January 2022, as from time to time further amended and/or supplemented.

"**Covered Bonds Royal Decree**" means the Royal Decree of 11 October 2012 on the issue of Belgian covered bonds by Belgian credit institutions (*Koninklijk Besluit van 11 oktober 2012 betreffende de uitgifte van Belgische covered bonds door kredietinstellingen naar Belgisch recht/Arrêté Royal du 11 octobre 2012 relatif à l'émission de covered bonds belges par des établissements de crédit de droit belge*) as amended by the Royal Decree of 27 January 2022, as from time to time further amended and/or supplemented.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Public Pandbrief for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual** or **Actual/Actual-ISDA**" is specified in the applicable PP Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable PP Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the applicable PP Final Terms, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable PP Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{(360 \times (Y_2 - Y_1)) + (30 \times (M_2 - M_1)) + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1, is greater than 29, in which case D_2 will be 30;

(v) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable PP Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{(360 \times (Y_2 - Y_1)) + (30 \times (M_2 - M_1)) + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vi) if "**30E/360 (ISDA)**" is specified in the applicable PP Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{(360 \times (Y_2 - Y_1)) + (30 \times (M_2 - M_1)) + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

(vii) if "**Actual/Actual-ICMA**" is specified in the applicable PP Final Terms,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including an Interest Determination Date in any year to but excluding the next Interest Determination Date; and

"**Interest Determination Dates**" means the dates specified in the applicable Final Terms or, if none is so specified, the Interest Payment Date and, assuming no Broken Amounts are payable according to the applicable PP Final Terms, the Interest Commencement Date.

"**Eurozone**" means the region composed of member states of the European Union that adopt the single currency in accordance with the EC Treaty (as defined in the ISDA Definitions).

"**IA Determination Cut-Off Date**" means no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Public Pandbrieven, and unless otherwise specified in the applicable PP Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable PP Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the applicable PP Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable PP Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the First Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date unless otherwise specified herein.

"**Interest Period Date**" means each Interest Payment Date, unless otherwise specified herein.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified herein.

"**Issuer**" means Belfius Bank SA/NV and shall, with respect to the management of the PP Special Estate following the appointment of a PP Cover Pool Administrator and where the context so requires, be deemed to be a reference to the PP Cover Pool Administrator.

"**Lead Regulator**" means the NBB, ECB or any successor entity primarily responsible for the prudential supervision of the Issuer.

"**Mobilisation Law**" means the Law of 3 August 2012 on various measures to facilitate the mobilisation of receivables in the financial sector (*Wet van 3 augustus 2012 betreffende diverse maatregelen ter vergemakkelijking van de mobilisering van schuldvorderingen in de financiële sector/Loi du 3 août 2012 relative à des mesures diverses pour faciliter la mobilisation de créances dans le secteur financier*) as subsequently amended and/or supplemented.

"**NBB Cover Pool Monitor Regulation**" means the Regulation of the National Bank of Belgium (NBB_2022_16) addressed to the cover pool monitors of Belgian credit institutions that issue Belgian covered bonds dated 14 June 2022 (*Circulaire aan de portefeuillesurveillanten van kredietinstellingen naar Belgisch recht die Belgische covered bonds uitgeven/Circulaire aux surveillants de portefeuille auprès d'établissements de crédit de droit belge qui émettent des covered bonds belges*) as subsequently amended and/or supplemented.

"**NBB Covered Bonds Regulation**" means the Regulation of the National Bank of Belgium (NBB_2022_15) regarding practical rules for the application of the law of 25 April 2014 establishing a legal framework for Belgian covered bonds dated 14 June 2022 (*Praktische regels voor de toepassing van de wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen zoals gewijzigd door de wet van 26 november 2021 met het oog op de omzetting van Richtlijn 2019/2162 betreffende de uitgifte van en het overheidstoezicht op gedekte obligaties/Modalités pratiques d'application de la loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit telle que modifiée par la loi du 26 novembre 2021 afin de transposer la directive 2019/2162 relative à l'émission et à la surveillance publique des obligations sécurisées*) as subsequently amended and/or supplemented.

"**NBB-SSS**" means the National Bank of Belgium, in its capacity as operator of the Securities Settlement System.

"**PP Cover Pool Administrator**" means a cover pool administrator (*portefeuillebeheerder/gestionnaire de portefeuille*) appointed to manage the PP Special Estate in any of the circumstances as described in Article 8 of Annex III to the Banking Law.

"**PP Cover Pool Monitor**" means a cover pool monitor (*portefeuilesurveillant/surveillant de portefeuille*) appointed in accordance with Article 16, §1 of Annex III to the Banking Law.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Public Pandbrief and that is either specified or calculated in accordance with the provisions herein.

"**Rating Agency**" means any rating agency (or its successor) who, at the request of the Issuer, assigns, and for as long it assigns, one or more ratings to the Public Pandbrieven under the PP Programme from time to time, which may include Moody's, Fitch, S&P, and/or or such other rating agency as shall be specified in the PP Final Terms.

"**Reference Banks**" means in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, selected by the PP Calculation Agent or as specified herein.

"**Reference Rate**" means the rate specified as such in the applicable PP Final Terms.

"**Relevant Date**" in respect of any payment means whichever is the later of (i) the date on which such payment first becomes due and (ii), (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of such money outstanding is made or (if earlier) the date seven calendar days after that on which notice is duly given to the PP Noteholders

that, upon further presentation of the Public Pandbrief being made in accordance with the PP Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable PP Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Rules of Organisation of the PP Noteholders**" means the rules of organisation of the PP Noteholders as set out in Section 9 of the Base Prospectus.

"**Specified Currency**" means the currency specified as such in the applicable PP Final Terms or, if none is specified, the currency in which the Public Pandbrieven are denominated.

"**Successor Rate**" means the rate that the Issuer determines is a successor to, or replacement of, the Reference Rate which is formally recommended by any Relevant Nominating Body.

"**Supervisory Authority**" means National Bank of Belgium (*Nationale Bank van België*/*Banque Nationale de Belgique*) ("**NBB**") and any other supervisory authority to which relevant powers may be transferred.

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

3. Redemption, Purchase and Options

(a) *Final Redemption*

Unless previously redeemed in whole or in part, purchased and cancelled as provided below or its maturity is extended in accordance with these PP Conditions, each Public Pandbrief shall be finally redeemed on the Maturity Date specified in the applicable PP Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its principal amount).

(b) *Early Redemption*

(A) Zero Coupon Public Pandbrieven

(i) The Early Redemption Amount payable in respect of any Zero Coupon Public Pandbrief, upon redemption of such Public Pandbrief pursuant to PP Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), PP Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons*), PP Condition 3(i) (*Redemption, Purchase and Options – Cancellation*) or PP Condition 22 (*Payment Default and Cross-Acceleration*) shall be the Amortised Face Amount (calculated as provided below) of such Public Pandbrief, unless otherwise specified in the applicable PP Final Terms.

(ii) Subject to sub-paragraph (iii) below, the "**Amortised Face Amount**" of any such Public Pandbrief shall be the scheduled Final Redemption Amount of such Public Pandbrief on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually. If none is shown in the applicable PP Final Terms, the "**Amortisation Yield**" shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Public Pandbrieven if they were discounted back to their issue price on the Issue Date.

(iii) If the Amortised Face Amount payable in respect of any such Public Pandbrief upon its redemption pursuant to PP Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), PP Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons*), PP Condition 3(i) (*Redemption, Purchase and Options – Cancellation*) or PP Condition 22 (*Payment Default and Cross-Acceleration*) is not paid when due, the Final Redemption Amount due and payable in respect of such Public Pandbrief shall be the Amortised Face Amount of such Public Pandbrief as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Public Pandbrief becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Public Pandbrief on the Maturity Date together with any interest that may accrue in accordance with PP Condition 2 (*Interest and Other Calculations*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction as provided in the applicable PP Final Terms.

(B) Other Public Pandbrieven

The Early Redemption Amount payable in respect of any Public Pandbrief (other than Public Pandbrieven described in (A) (i) above), upon redemption of such Public Pandbrief pursuant to PP Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), PP Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons*), PP Condition 3(i) (*Redemption, Purchase and Options – Cancellation*) or PP Condition 22 (*Payment Default and Cross-Acceleration*) shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption, unless otherwise specified in the applicable PP Final Terms.

(c) *Redemption for Illegality*

The Public Pandbrieven may be redeemed at the option of the Issuer in whole, but not in part, on the next Interest Payment Date or at any time, on giving not less than 30 nor more than 60 calendar days' notice to the PP Noteholders in accordance with PP Condition 9 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount, if the Issuer notifies the PP Noteholders' Representative immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Public Pandbrief of any Series or Tranche, become unlawful for the Issuer to (i) make any payments or (ii) comply with its obligations under the Public Pandbrieven, or (iii) allow any Public Pandbrieven to remain outstanding, as a result of any change in, or

amendment to, the applicable laws or regulation or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next Interest Payment Date. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the PP Principal Paying Agent and the PP Noteholders' Representative a certificate signed by a representative of the Issuer stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the condition to the right of the Issuer to redeem for illegality has occurred.

(d) *Redemption for Taxation Reasons*

The Public Pandbrieven may be redeemed at the option of the Issuer in whole, but not in part, on the next Interest Payment Date or at any time, on giving not less than 30 nor more than 60 calendar days' notice to the PP Noteholders in accordance with PP Condition 9 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount, if the Issuer would, on the occasion of the next payment due in respect of the Public Pandbrieven, become obliged to pay on any Public Pandbrief of any Series or Tranche additional amounts pursuant to PP Condition 5 (*Tax Gross-up*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a finding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the relevant Series of Public Pandbrieven. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the PP Principal Paying Agent and the PP Noteholders' Representative a certificate signed by a representative of the Issuer stating that it is entitled to effect such redemption and setting forth a statement of facts showing that it would otherwise be obliged to pay such additional amounts as a result of such change or amendment, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer, has or will become obliged to pay such additional amounts as a result of such change or amendment.

(e) *Redemption at the option of the PP Noteholders*

If a Noteholder Put is specified in the applicable PP Final Terms, the Issuer shall, at the option of the PP Noteholder and upon the PP Noteholder giving not less than 15 nor more than 30 calendar days' notice (or such other notice period as specified in the applicable PP Final Terms) to the Issuer (which notice shall be irrevocable), upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable PP Final Terms, in whole (but not in part), such Public Pandbrieven on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise such option that may be set out in the applicable PP Final Terms, the PP Noteholder must deposit with a PP Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained from any PP Paying Agent or the PP Registrar, as the case may be, with a copy to be sent to the Issuer at the Address specified in the PP Final Terms within the notice period. In the case of Dematerialised Public Pandbrieven, the PP Noteholder shall transfer, or cause to be transferred, the Dematerialised Public Pandbrieven to be redeemed to the account of the PP Paying Agent, as specified in the Exercise Notice.

(f) *Redemption at the option of the Issuer and exercise of Issuer's option*

If an Issuer Call or an option of the Issuer is specified in the applicable PP Final Terms, the Issuer may, subject to compliance by the Issuer with all the relevant laws, regulations and directives and

upon giving not less than seven days' (or such other notice period as may be specified in the applicable PP Final Terms) irrevocable notice to the PP Noteholders in accordance with PP Condition 9 (*Notices*), redeem or exercise any Issuer's option in relation to all or, if so provided, some of the Public Pandbrieven on any Optional Redemption Date, as the case may be. Any such redemption of Public Pandbrieven shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption or exercise must relate to the Public Pandbrieven of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable PP Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable PP Final Terms.

All Public Pandbrieven in respect of which any such notice is given shall be redeemed, or the Issuer's option exercised, on the date specified in such notice in accordance with this PP Condition 3(f).

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Public Pandbrieven, the redemption may be effected by reducing the principal amount of all such Public Pandbrieven in a Series in proportion to the aggregate principal amount redeemed.

So long as the Public Pandbrieven are admitted to trading on a regulated market and the rules of, or applicable to, such regulated market require, the Issuer shall, each time that there has been a partial redemption of the Public Pandbrieven, cause to be published (i) as long as such Public Pandbrieven are admitted to trading on the regulated market of Euronext Brussels and the rules of such exchange so permit, on the website of Euronext Brussels (www.euronext.com), (ii) as long as such Public Pandbrieven are admitted to trading on a regulated market other than Euronext Brussels and the rules of such exchange so permit, on the website of such exchange, or (iii) in a leading newspaper with general circulation in the city where the regulated market on which such Public Pandbrieven are admitted to trading is located (but only if the rules of that exchange so require), which in the case of the Regulated Market of Euronext Brussels is expected to be *De Tijd* and *L'Écho*, a notice specifying the aggregate outstanding principal amount of Public Pandbrieven.

(g) *Purchases*

The Issuer and any of its subsidiaries may at any time purchase Public Pandbrieven in the open market or otherwise at any price.

Unless otherwise indicated in the PP Final Terms, Public Pandbrieven so purchased by the Issuer may be held in accordance with Article 10 of Annex III to the Banking Law or cancelled in accordance with PP Condition 3(i) (*Redemption, Purchase and Options - Cancellation*) below.

(h) *Subscription to own Public Pandbrieven*

The Issuer may subscribe to its own Public Pandbrieven.

(i) *Cancellation*

All Public Pandbrieven purchased or subscribed by or on behalf of the Issuer may be surrendered for cancellation, and shall if surrendered, together with all Public Pandbrieven redeemed by the Issuer, be cancelled forthwith (together with all rights relating to payment of interest and other amounts relating to such Public Pandbrieven). Any Public Pandbrieven so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Public Pandbrieven shall be discharged.

(j) *Extension of Maturity up to Extended Maturity Date*

(i) The obligation of the Issuer to pay the Final Redemption Amount of a Series of Public Pandbrieven on the Maturity Date of such Series can be deferred upon the occurrence of one of the following events:

(A) the Issuer fails to redeem the Public Pandbrieven of the relevant Series at their Final Redemption Amount in full within five Business Days after their Maturity Date ("failure to pay"). In such case (subject as provided below in paragraph (iii), the obligation of the Issuer to redeem such Series shall be automatically deferred to, and shall be due on, the Extended Maturity Date; and

(B) the deferral, up to the Extended Maturity Date, may be decided upon by the Cover Pool Administrator in the event a liquidation procedure is initiated against the Issuer or the Issuer is resolved.

The "**Extended Maturity Date**"" shall be the date falling one year after the relevant Maturity Date.

(ii) The Issuer shall give notice of the extension of the Maturity Date to the Extended Maturity Date to the PP Noteholders of the relevant Series, the PP Noteholders' Representative, the relevant Rating Agencies, the PP Fiscal Agent and the PP Paying Agent and/or PP Registrar as soon as reasonably practicable, it being understood that a failure to notify shall not affect such extension of the Maturity Date. In accordance with Article 13/1, §2 of Annex III to the Banking Law, the Issuer will inform the Supervisory Authority of its action plan to ensure that the Final Redemption Amount due and remaining unpaid, will be paid by the new maturity date.

(iii) Notwithstanding paragraph (v) below, if and to the extent that on any subsequent Interest Payment Date (as defined in the applicable PP Final Terms) falling prior to the Extended Maturity Date (each an "**Extension Payment Date**"), the Issuer has available funds, then the Issuer shall (a) give notice thereof to the PP Noteholders of such Series, the PP Noteholders' Representative, the PP Fiscal Agent and the PP Paying Agent and/or PP Registrar as soon as reasonably practicable and in any event at least two Business Days prior to such Extension Payment Date and (b) apply such available funds to redeem the Public Pandbrieven of such Series on such Extension Payment Date at their Final Redemption Amount.

(iv) Save as otherwise provided for in the applicable PP Final Terms, interest shall (a) accrue on the unpaid portion of such Final Redemption Amount from (and including) the Maturity Date to (but excluding) the Extension Payment Date or the Extended Maturity Date , (b) be payable in arrears on each Extension Payment Date (in respect of the Interest Period then ended) or, if earlier, on the Extended Maturity Date and (c) accrue at the rate provided for in the applicable PP Final Terms.

(v) To the extent that the maturity date of any other Series of Public Pandbrieven has been extended in accordance with the relevant terms and conditions thereof (the "**Extended Public Pandbrieven**"), and the Maturity Date of a Series of Public Pandbrieven falls prior to the extended maturity date of the Extended Public Pandbrieven and on such date the Extended Public Pandbrieven have not yet been redeemed in full, then the Maturity Date of such Series of Public Pandbrieven shall also be extended on its Maturity Date to the Extended Maturity Date. Such extension does not in itself need to be triggered by paragraph (i) above, but is made in accordance with Article 13, §2 *in fine* of Annex III to the Banking Law in order to avoid that an extension of a particular Series of Public Pandbrieven would alter the sequence of Maturity Dates among different Series of Public Pandbrieven.

(vi) Subject to paragraph (v) above, an extension of one Series does not automatically imply the extension of other Series.

(vii) In the case the Public Pandbrieven to which an Extended Maturity Date applies are Zero Coupon Public Pandbrieven, the outstanding principal amount will for the purposes of this PP Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*) be the total amount otherwise payable by the Issuer but unpaid on the relevant Public Pandbrieven on the Maturity Date.

(viii) Any extension of the maturity of Public Pandbrieven under this PP Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*) shall be irrevocable. Where this PP Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*) applies, failure by the Issuer to redeem in full the relevant Public Pandbrieven on the Maturity Date or on any subsequent Extension Payment Date (or the relevant later date in case of an applicable grace period) shall not constitute a Payment Default (as defined below). However, failure by the Issuer to redeem in full the relevant Public Pandbrieven on the Extended Maturity Date shall be a failure to pay which may constitute a Payment Default.

(ix) Any payments which may be subject to an extension in accordance with this PP Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*) shall not be deemed to constitute an unconditional payment for the purpose of Article 7, §1 of the Covered Bonds Royal Decree.

(x) If the maturity of any Public Pandbrieven is extended up to the Extended Maturity Date in accordance with this PP Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), for so long as any of those Public Pandbrieven remains outstanding, the Issuer shall not issue any further Public Pandbrieven, unless the proceeds of issuance of such further Public Pandbrieven are applied by the Issuer on issuance in redeeming in whole or in part the relevant Public Pandbrieven in accordance with the terms hereof.

4. Payments

(a) *Dematerialised Public Pandbrieven*

Payment of principal and interest in respect of Dematerialised Public Pandbrieven will be made in accordance with the applicable rules and procedures of the Securities Settlement System, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD and any other Securities Settlement System participant. Upon receipt of any payment in respect of Dematerialised Public Pandbrieven, the Securities Settlement System, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD and any other Securities Settlement System participant, shall immediately credit the accounts of the relevant account holders with the payment.

(b) *Registered Public Pandbrieven*

Payments of principal and interest in respect of Registered Public Pandbrieven shall be paid to the person shown on the register maintained by the Issuer or by the PP Registrar at the close of business on the 15th calendar day before the due date for payment thereof (the "**Record Date**").

(c) *Payments Subject to Fiscal Laws*

Save as provided in PP Condition 5 (*Tax Gross-up*), payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its agents under this PP Programme agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

(d) *Non-Business Day*

If any date for payment in respect of any Public Pandbrief is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment, unless otherwise specified in the applicable PP Final Terms.

5. Tax Gross-up

All payments of principal and interest by or on behalf of the Issuer in respect of the Public Pandbrieven, shall be made without withholding or deduction for any present or future taxes, duties, assessments or other charges of whatever nature ("**Taxes**") imposed or levied by the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or other charges is required by law or regulation.

In that event, or if a clearing system or any participant in a clearing system withholds or deducts for, or on account of, any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having the power to tax, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts received by the PP Noteholders after such withholding or deduction shall be not less than the respective amounts of principal and interest which would have been receivable in respect of the Public Pandbrieven in the absence of such withholding or deduction; except that no such additional amounts shall be payable:

(i) with respect to any payment in respect of any Dematerialised Public Pandbrief:

(1) *Other connection:* to, or to a third party on behalf of, a holder who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption, or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Dematerialised Public Pandbrief by reason of his having some connection with Belgium other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of the Dematerialised Public Pandbrief; or

(2) *Non-Eligible Investors*: to, or to a third party on behalf of, a holder who on the date of acquisition of such Dematerialised Public Pandbrief, was not an Eligible Investor or who was an Eligible Investor on the date of acquisition of such Dematerialised Public Pandbrief but, for reasons within the PP Noteholder's control, ceased to be an Eligible Investor or at any relevant time on or after the issuance of the Dematerialised Public Pandbrieven otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Law of 6 August 1993 relating to certain securities; or

(3) *Conversion into registered Public Pandbrieven*: to, or to a third party on behalf of, a holder who is liable to such Taxes because the Dematerialised Public Pandbrieven were converted into Registered Public Pandbrieven upon his/her request and could no longer be cleared through the Securities Settlement System; or

(4) *PP Paying Agent not being a Securities Settlement System participant (or their participants)*: presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Dematerialised Public Pandbrief to another Paying Agent in a member state of the EU.

(ii) with respect to any payment in respect of any Registered Public Pandbrief:

(1) *Other connection*: to, or to a third party on behalf of, a holder who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption, or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Registered Public Pandbrief by reason of his having some connection with Belgium other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of the Registered Public Pandbrief; or

(2) *Not Exempt Investors*: to a holder who is not an Exempt Investor; or

(3) *Issuer not a financial institution anymore*: where such withholding or deduction is imposed for reason of the holder of the Registered Public Pandbrieven, at the time of the relevant interest payment, not benefitting from a full exemption from Belgian interest withholding tax due to the Issuer no longer qualifying as a financial institution as referred to in the Articles 105, 1°, a) and 107, §2, 5°, b) of the Royal Decree implementing the Belgian Income Tax Code 1992; or

(4) *Zero Coupon / Capitalisation of interest:* which is issued as a Zero Coupon Public Pandbrief or any other Registered Public Pandbrief which provides for the capitalisation of interest.

Notwithstanding anything to the contrary contained herein, the Issuer shall be entitled to withhold and deduct any amounts required to be deducted or withheld pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement (IGA) between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"), and the Issuer shall not be required to pay any additional amounts in respect of FATCA Withholding. For the avoidance of doubt, the Issuer shall not be required to pay any additional amounts in respect of FATCA Withholding by a clearing system or any participant in a clearing system.

As used in this Condition, "**Eligible Investor**" means those entities (i) which are referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (as amended from time to time) and (ii) which rightfully hold the Public Pandbrieven in an exempt account (X-Account) in the Securities Settlement System.

As used in this Condition, "**Exempt Investor**" means a PP Noteholder that, as of the relevant Interest Payment Date, I. (i) is not a tax resident in Belgium, (ii) does not use the income producing assets, i.e. the Registered Public Pandbrieven, to exercise a business or professional activity in Belgium, (iii) has been the owner (*eigenaar*/*propriétaire*) or usufructuary (*vruchtgebruiker*/*usufruitier*) of the Registered Public Pandbrief in respect of which it is entitled to the payment of interest, uninterruptedly for the entire relevant Interest Period, (iv) was registered with the Issuer as the holder of Registered Public Pandbrieven during the same Interest Period as mentioned under (iii) above, (v) has provided the Issuer with an executed Tax Status Certificate with respect to such interest payment executed by or on behalf of such holder on or before the date such Tax Status Certificate is required to be delivered to the Issuer pursuant to Article 118, §1, 1° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code 1992, and (vi) complies with any further requirement imposed by any successor provision to the current relevant

Belgian tax provisions or II. (i) is a financial institution or an institution assimilated therewith or a semi-governmental institution for social security or an institution assimilated therewith, (ii) has been the legal owner (*eigenaar/propriétaire*) or usufructuary (*vruchtgebruiker/usufruitier*) of the Registered Public Pandbrief during the entire relevant interest period, (iii) has been registered with the Issuer as the holder of the Registered Public Pandbrief during the entire relevant interest period, (iv) has provided the Issuer with an affidavit in which it is certified that the conditions mentioned in points (i) and (ii) are complied with, with respect to such interest payment on or before the date such affidavit is required to be delivered to the Issuer and (v) complies with any further requirement imposed by any successor provision to the current relevant Belgian tax provisions.

In these Conditions, "**Tax Status Certificate**" means the certificate required by Article 117, §6 of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code 1992 (or any successor provision).

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Public Pandbrieven, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to PP Condition 3 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to PP Condition 2 (*Interest and Other Calculations*) or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this PP Condition 5 (*Tax Gross-up*).

6. Status and ranking of Public Pandbrieven

The Public Pandbrieven are issued in accordance with and are subject to the provisions of the Belgian Covered Bonds Regulations. They will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank at all times *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future. In addition and pursuant to the Belgian Covered Bonds Regulations, the PP Noteholders, together with the holders of any other Public Pandbrieven issued under the PP Programme and any PP Other Creditors as defined in PP Condition 23 (*Post-Acceleration Priority of Payments*), will in case a liquidation procedure is started against the Issuer or in case the Issuer is resolved benefit from a dual recourse consisting of (i) an exclusive recourse against the PP Special Estate and (ii) an unsecured, unsubordinated recourse against the general estate of the Issuer.

7. Specific provisions required by the Belgian Covered Bonds Regulations

(a) *Criteria for transfer of assets from the general estate*

For the purpose of Article 3, §2, second indent of Annex III to the Banking Law, the following criteria shall be applied in circumstances where amounts must be transferred to the PP Special Estate but cannot be identified within the general estate of the Issuer. In such circumstances, the general estate shall transfer to the PP Special Estate (in consultation between the PP Cover Pool Administrator or the PP Cover Pool Monitor (as applicable) and the Issuer or the bankruptcy administrator of the Issuer (as applicable)), instead of the relevant amounts, unencumbered assets that for determining the amount will be taken into account at their market value and after applying the Haircut (as defined below) in an equal amount determined in the following order of priority:

(i) *first*, credit quality step 1 bonds that are ECB eligible and/or level 1 assets as described in the liquidity risk framework calculation of the Liquidity Coverage Ratio (as pursuant to the Capital Requirements Regulation);

(ii) *failing which*, credit quality step 2 bonds that are ECB eligible and/or level 2 assets as described in the liquidity risk framework calculation of the Liquidity Coverage Ratio (as pursuant to the Capital Requirements Regulation);

(iii) *failing which*, bonds other than (i) or (ii) above that are eligible in repo transactions;

(iv) *failing which*, bonds other than (i), (ii) or (iii) above;

(v) *failing which*, Public Sector Exposure other than (i), (ii), (iii) and (iv);

(vi) *failing which*, Public Sector Exposure other than (i), (ii), (iii), (iv) and (v); and

(vii) *failing any of the above*, such assets as may be selected on behalf of the PP Special Estate by the PP Cover Pool Monitor or PP Cover Pool Administrator (as applicable) in its sole discretion.

"**Haircut**" means:

(i) for unencumbered assets as defined in (i) and (ii) above, the ECB haircut in accordance with the Guideline (EU) 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy (as may be amended, supplemented, replaced and/or restated from time to time);

(ii) for unencumbered assets as defined in (iii) and (iv) above, 20 per cent.; and

(iii) for unencumbered assets as defined in (v) to (vii) above, 25 per cent.

"**CRD V**" means the Capital Requirements Directive and the Capital Requirements Regulation.

"**Capital Requirements Directive**" means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended from time to time.

"**Capital Requirements Regulation**" means Regulation (EU) No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended from time to time.

(b) *Use of collateral provided under derivative contracts*

Collateral provided under derivative contracts that constitutes a PP Cover Asset may only be used for obligations in relation to the PP Special Estate and in accordance with the relevant derivative contract.

(c) *Allocation*

Upon the earlier of (i) the opening of a liquidation procedure in respect of the Issuer and (ii) the appointment of a PP Cover Pool Administrator, the following shall apply in circumstances where both the PP Special Estate and the general estate of the Issuer hold a claim against a single debtor relating to Public Sector Exposure:

(i) payments made by such debtor shall, unless otherwise elected by the debtor pursuant to Article 1253 of the Belgian (Old) Civil Code (to the extent applicable), be shared *pro rata* between the PP Special Estate and the general estate on a *pari passu* basis; and

(ii) proceeds from enforcement of a guarantee, insurance or security interest (including, without limitation, mortgages) which secures the claims of both the PP Special Estate and the general estate of the Issuer shall, unless otherwise elected by the debtor pursuant to Article 1253 of the Belgian (Old) Civil Code (to the extent applicable), be shared *pro rata* between the Special Estate and the general estate on a *pari passu* basis.

8. PP Principal Paying Agent, PP Paying Agent, PP Fiscal Agent and PP Registrar provisions

The names of the initial PP Paying Agents, the PP Fiscal Agent and the initial PP Registrar and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any PP Paying Agent, the PP Fiscal Agent and the PP Registrar and/or appoint additional or other PP Paying Agents or PP Registrars, provided that:

(1) there will at all times be a PP Principal Paying Agent, a PP Fiscal Agent and, as long as any Registered Public Pandbrieven of any Series are outstanding, a PP Registrar for that Series;

(2) so long as the Public Pandbrieven are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a PP Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

Any variation, termination, appointment or change shall only take effect (other than in the case of bankruptcy, when it shall be of immediate effect) after not less than 30 nor more than 45 calendar days' prior notice thereof shall have been given to the PP Noteholders in accordance with PP Condition 9 (*Notices*).

9. Notices

All notices to holders of Dematerialised Public Pandbrieven (including notices to convene a meeting of PP Noteholders) will be deemed to have been validly given if given through the Securities Settlement System, the systems of Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD or any other Securities Settlement System participant and their participants in accordance with the procedures of the relevant clearing system.

All notices to holders of Registered Public Pandbrieven (including notices to convene a meeting of PP Noteholders) will be mailed by regular post, by fax or by e-mail to the holders at their respective addresses or fax numbers appearing in the register maintained by the Issuer or by the PP Registrar, or by such other means as accepted by such holders.

If sent by post, notices will be deemed to have been given on the fourth Business Day after the date of mailing. If sent by fax, notices will be deemed to have been given upon receipt of a confirmation of the transmission. If sent by e-mail, when the relevant receipt of such communication being read is given, or where no read receipt is requested, by the sender at the time of sending provided that no delivery failure notification is received by the sender within 24 hours of sending such communication.

For so long as Public Pandbrieven are listed on Euronext Brussels (or another regulated market) and if the rules of that exchange so require, any notice to the PP Noteholders shall be published on the website of Euronext Brussels (www.euronext.com) (or the website of such other regulated market) and if (and only if) the rules of that exchange so require, such notice shall also be published in a daily newspaper of general circulation in Belgium (which is expected to be *De Tijd* and *L'Écho*).

If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above or, in the case of direct notification, any such notice shall be deemed to have been given on the date immediately following the date of notification.

Notwithstanding the above, the PP Noteholders' Representative shall be at liberty to approve any other method of giving notice to PP Noteholders if, in its opinion, such other method is reasonable having regard

to the then-prevailing market practice and rules of the competent authority, stock exchange, clearing system or, as the case may be, quotation system on which the Public Pandbrieven are then admitted to trading.

10. PP Cover Pool Monitor

The PP Cover Pool Monitor will fulfil the tasks as set out in the Belgian Covered Bonds Regulations and which is confirmed in an agreement between the PP Cover Pool Monitor and the Issuer. In addition, the PP Cover Pool Monitor and the Issuer have agreed that no Public Sector Exposure can be deregistered from the PP Special Estate without the prior approval from the PP Cover Pool Monitor in case such deregistration would lead to a decrease of the ratio between the value of the PP Cover Assets and the outstanding principal amount of the Public Pandbrieven. No approval is required for deregistration of Public Sector Exposure with a value of zero nor for a substitution whereby the value of the PP Cover Assets does not decrease with more than EUR 10,000,000 due to this substitution.

11. Issuer Covenant

For so long as the Public Pandbrieven are outstanding, the Issuer hereby covenants in favour of the PP Noteholders and the PP Noteholders' Representative to ensure that:

(i) it will continuously comply with the obligations imposed on it under the Belgian Covered Bonds Regulations, including the Statutory Tests;

(ii) the PP Special Estate will mainly consist of Public Sector Exposure;

(iii) the PP Special Estate will not contain any commercial or residential mortgage loans;

(iv) the value of the Public Sector Exposure registered as PP Cover Assets in the PP Cover Register (including any collections in respect thereto) (a) is calculated in accordance with the Belgian Covered Bonds Regulations and (b) will at all times represent at least 105 per cent. of the aggregate outstanding principal amount of the Public Pandbrieven of all Series (it being understood that any surplus above 105 per cent. may be composed of other eligible assets under the PP Programme);

(v) only fully drawn loans constituting Public Sector Exposure will be added to the PP Special Estate; and

(vi) that the PP Special Estate will at all times include cover assets which (a) are eligible as collateral for Eurosystem monetary policy purposes and intra-day credit operations by the Eurosystem, (b) have a credit quality step 1 as defined in the Capital Requirements Regulation, (c) are subject to a daily mark-to-market and have a market value which, after applying the ECB haircut in accordance with the Guideline 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy (as may be amended, supplemented, replaced and/or restated from time to time), is higher than the amount of interest due and payable on the outstanding Public Pandbrieven within a period of six months, (d) have a remaining maturity of more than one year, and (e) are not (A) debt issued by the Issuer or (B) Public Sector Exposure which benefits from a netting arrangement (within the meaning of the Financial Collateral Law) which is part of a financial collateral arrangement.

12. PP Noteholders' Waiver

The PP Noteholders waive to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian (Old) Civil Code to rescind (*ontbinden*/*résoudre*) or demand in legal proceedings the rescission (*ontbinding*/*résolution*) of the Public Pandbrieven and (ii) all their rights whatsoever in respect of Public Pandbrieven pursuant to Article 7:64 of the Belgian Code of Companies and Associations (right to rescind (*ontbinden*/*résoudre*).

13. Prescription

Claims against the Issuer for payment in respect of the Public Pandbrieven shall be prescribed and become void, unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

14. Rules of Organisation of the PP Noteholders

The Rules of Organisation of the PP Noteholders are attached to, and form an integral part of, these PP Conditions. References in these PP Conditions to the Rules of Organisation of the PP Noteholders include such rules as from time to time modified in accordance with the provisions contained therein and any agreement or other document expressed to be supplemental thereto.

Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations relating to the noteholders' meeting shall not apply to any issuance of the Public Pandbrieven.

15. PP Noteholders' Representative

As long as the Public Pandbrieven are outstanding, there shall at all times be a representative of the PP Noteholders (the "**PP Noteholders' Representative**") in accordance with Article 14, §2 of Annex III to the Banking Law, who has the power to exercise the rights conferred on it by these PP Conditions, the Rules of Organisation of the PP Noteholders and the law in order to protect the interests of the PP Noteholders. The PP Noteholders' Representative must give account of its performance in accordance with the PP Noteholders' Representative Agreement.

The Issuer has appointed Stichting Belfius Public Pandbrieven Noteholders' Representative as PP Noteholders' Representative and the PP Noteholders' Representative has accepted such appointment for the period commencing on the Issue Date and, subject to early termination of its appointment, ending on the date on which all Series of the Public Pandbrieven have been cancelled or redeemed in accordance with these PP Conditions and on which all claims of the PP Other Creditors (to the extent represented by the PP Noteholders' Representative) against the PP Special Estate have been settled.

By reason of holding Public Pandbrieven, each PP Noteholder (including, for the avoidance of doubt, each holder of a Public Pandbrief subject to terms not contemplated by the Base Prospectus):

(i) recognises the PP Noteholders' Representative as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the PP Noteholders' Representative in such capacity as if such PP Noteholder were a signatory thereto; and

(ii) acknowledges and accepts that the Issuer shall not be liable, except in case of fraud of the Issuer, in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the PP Noteholders as a result of the performance by the PP Noteholders' Representative (or its delegate) of its duties or the exercise of any of its rights under these PP Conditions (including the Rules of Organisation of the PP Noteholders).

The PP Noteholders' Representative can also be appointed to represent PP Other Creditors provided that those PP Other Creditors agree with such representation.

16. Conflicts of Interest

The PP Noteholders' Representative shall have regard to the overall interests of the PP Noteholders and of the PP Other Creditors that have agreed to be represented by the PP Noteholders' Representative. The PP Noteholders' Representative shall not be obliged to have regard to any interests arising from circumstances particular to individual PP Noteholders or such PP Other Creditors whatever their number.

The PP Noteholders' Representative shall, as regards the powers, authorities and discretions vested in it, except where expressly provided otherwise, have regard to the interests of both the PP Noteholders and the PP Other Creditors of the Issuer which it represents but if, in the opinion of the PP Noteholders'

Representative, there is a conflict between their interests the PP Noteholders' Representative will have regard solely to the interest of the PP Noteholders.

17. Meetings of PP Noteholders

(a) *Meetings of PP Noteholders*

The Rules of Organisation of the PP Noteholders contain provisions for convening meetings of PP Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification or waiver of any provision of the PP Conditions applicable to any relevant Series of Public Pandbrieven. For the avoidance of doubt, any such modification or waiver shall be subject to the consent of the Issuer.

All meetings of PP Noteholders will be held in accordance with the provisions of the Rules of Organisation of the PP Noteholders. Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations with respect to PP Noteholders' meetings will not apply to any issuance of Public Pandbrieven.

(b) *Written Resolutions*

A written resolution signed by the holders of 75 per cent. in principal amount of the relevant Series of the Public Pandbrieven outstanding shall take effect as if it were an Extraordinary Resolution. A written resolution signed by the holders of 50 per cent. in principal amount of the relevant Series of the Public Pandbrieven outstanding shall take effect as if it were an Ordinary Resolution. To the extent permitted by the applicable law, a written resolution signed by the holders of 50 per cent. in principal amount of the Public Pandbrieven outstanding as if they were a single Series shall take effect as if it were a PP Programme Resolution. Such resolutions in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more PP Noteholders.

18. Amendments to the PP Conditions

Amendments to the PP Conditions shall be made in accordance with the Rules of Organisation of the PP Noteholders, and in particular in accordance with Articles 6.1, 6.3 and 18 thereof.

19. No Exchange of Registered Public Pandbrieven

Registered Public Pandbrieven may not be exchanged for Dematerialised Public Pandbrieven.

20. Further Issues

The Issuer may from time to time without the consent of the PP Noteholders create and issue further Public Pandbrieven having the same terms and conditions as the Public Pandbrieven (so that, for the avoidance of doubt, references in these Conditions to "**Issue Date**" shall be to the first issue date of the Public Pandbrieven) and so that the same shall be consolidated and form a single series with such Public Pandbrieven, and references in these PP Conditions to "Public Pandbrieven" shall be construed accordingly.

21. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Public Pandbrief is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by the Issuer to any PP Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer, to the extent of the amount in the currency of payment under the relevant Public Pandbrief that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received

or recovered is less than the amount expressed to be due to the recipient under any Public Pandbrief, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this PP Condition 21, it shall be sufficient for the PP Noteholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any PP Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Public Pandbrief, or any other judgment or order.

22. Payment Default and Cross-Acceleration

Failure by the Issuer to pay (i) any principal amount in respect of any Public Pandbrief on the Extended Maturity Date or pursuant to PP Condition 3(j)(v) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), or (ii) any interest in respect of any Public Pandbrief within five (5) Business Days from the day on which such interest becomes due and payable, shall constitute a payment default ("**Payment Default**") if such failure remains unremedied for ten (10) Business Days after the PP Noteholders' Representative has given written notice thereof to the Issuer by registered mail or per courier and with return receipt ("**Payment Notice**"). In case of failure by the PP Noteholders' Representative to deliver such Payment Notice, any PP Noteholder may deliver such Payment Notice to the Issuer (with a copy to the PP Noteholders' Representative). The date on which a Payment Default occurs shall be the date on which the PP Noteholders' Representative or any PP Noteholder has given notice of such Payment Default plus ten (10) Business Days (the "**Payment Default Date**").

Without prejudice to the powers granted to the PP Cover Pool Administrator, if a Payment Default occurs in relation to a particular Series, the PP Noteholders' Representative may, and shall if so requested in writing by the PP Noteholders of at least $66^{2/3}$ per cent. of the outstanding principal amount of the relevant Series of the Public Pandbrieven then outstanding (excluding any Public Pandbrieven which may be held by the Issuer), serve a notice on the Issuer ("**Acceleration Notice**") by registered mail or per courier and with return receipt that a Payment Default has occurred in relation to such Series, provided in each case it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Acceleration Notice will specify the date on which the Public Pandbrieven become immediately due and payable (the "**Acceleration Date**"), which will be at least two Business Days after the Payment Default Date. A copy of the Acceleration Notice shall be sent to the NBB-SSS, Securities Settlement System, the PP Noteholders, the relevant Rating Agencies and the PP Cover Pool Monitor.

From and including the Acceleration Date:

(i) the Public Pandbrieven shall become immediately due and payable at their Early Redemption Amount;

(ii) if a Payment Default is triggered with respect to a Series, each Series of Public Pandbrieven will cross accelerate at the Acceleration Date against the Issuer, becoming due and payable, and they will rank *pari passu* among themselves;

(iii) the PP Noteholders' Representative on behalf of the PP Noteholders, shall have a claim against the Issuer for an amount equal to the Early Redemption Amount and any other amount due under the Public Pandbrieven; and

(iv) the PP Noteholders' Representative on behalf of the PP Noteholders, shall be entitled to take any steps and proceedings against the Issuer to enforce the provisions of the Public Pandbrieven. The PP Noteholders' Representative may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer as it may think fit to enforce such payments, but it shall, subject to be indemnified and/or

prefunded to its satisfaction, not be bound to take any such proceedings or steps, unless requested or authorised by an Extraordinary Resolution.

Accordingly and for the avoidance of doubt, if an acceleration date occurs under any of the outstanding Series of Public Pandbrieven (as such term is defined under the Series under which such acceleration date occurs), the Public Pandbrieven shall cross accelerate on such acceleration date in accordance with item (ii) above (as set out in the conditions applicable to such Series) and shall become immediately due and payable. An acceleration notice under the Mortgage Pandbrieven Programme will however not trigger an acceleration of the outstanding Public Pandbrieven under the Public Pandbrieven Programme (hence no cross-acceleration between the Programmes).

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this PP Condition 22 by the PP Noteholders' Representative shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the PP Noteholders and (in such absence as aforesaid) no liability to the PP Noteholders or the Issuer shall attach to the PP Noteholders' Representative in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

23. Post-Acceleration Priority of Payments

All monies (other than amounts standing to the credit of a swap collateral account which will be applied in accordance with the provisions of the relevant swap agreement) received or recovered by the PP Special Estate (whether in the administration, the liquidation of the PP Special Estate or otherwise) following (i) the service of an Acceleration Notice or (ii) a liquidation of the PP Special Estate in accordance with Article 11, 6° or 7° of Annex III to the Banking Law, will be applied in the following order of priority (the "**Post-Acceleration Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made:

(a) *first*, in or towards satisfaction of all amounts due and payable, including any costs, charges, liabilities and expenses, to the PP Cover Pool Administrator (including any of its representatives and delegates);

(b) *second*, in or towards satisfaction of all amounts due and payable, including any costs, charges, liabilities and expenses, to the PP Noteholders' Representative;

(c) *third*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of any Expenses which are due and payable to the PP Operating Creditors;

(d) *fourth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of (i) any Pari Passu Swap Amounts and (ii) any payments of amounts due and payable to PP Noteholders *pro rata* and *pari passu* on each Series in accordance with these PP Conditions;

(e) *fifth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of any Junior Swap Amounts ;

(f) *sixth*, thereafter any remaining monies will be paid to the general estate of the Issuer.

"**Expenses**" means any costs, charges, liabilities, expenses or other amounts payable by the Issuer or by the PP Special Estate, as applicable, to any PP Operating Creditor plus any value added tax or any other tax or duty payable thereon.

"**Junior Swap Amount**" means any swap termination amount whereby the PP Derivative Contract Counterparty is the defaulting party or any such other amount, including any costs, charges, liabilities and expenses, due and payable to a PP Derivative Contract Counterparty (in accordance with the relevant swap agreement) and which under the relevant swap agreement are expressed to rank junior to interest and principal due to PP Noteholders and any other party ranking senior in accordance with the Post-Acceleration Priority of Payments.

"**PP Derivative Contract Counterparty**" means a derivative contract counterparty under a swap agreement entered into by the Issuer in relation to the PP Special Estate.

"**PP Operating Creditor**" means any of (1) the PP (Principal) Paying Agent, (2) the PP Fiscal Agent, (3) the PP Cover Pool Monitor, (4) the PP Registrar, (5) any servicer appointed to service the PP Cover Assets, (6) any account bank holding assets on behalf of the PP Special Estate, (7) any stock exchange on which the Public Pandbrieven are listed, (8) the Issuer's statutory auditor(s), legal counsel and tax advisers for services provided for the benefit of the PP Special Estate, (9) the relevant Rating Agencies in relation to any Public Pandbrieven issued under the PP Programme, (10) any independent accountant or independent calculation agent for services provided for the benefit of the PP Special Estate, (11) any custodian in relation to the PP Programme, (12) any agent or party appointed in accordance with the PP Programme Documents or any other creditor of amounts due in connection with the management and administration of the PP Special Estate and (13) any other creditor which may have a claim against the PP Special Estate as a result of any services provided or contracts entered into in relation to the Public Pandbrieven or the PP Programme, as may from time to time be specified in the PP Conditions of any Public Pandbrieven issued under the PP Programme.

"**PP Other Creditor**" means the PP Noteholders' Representative, any PP Operating Creditor, any PP Derivative Contract Counterparty and the PP Cover Pool Administrator.

"**Pari Passu Swap Amount**" means each amount, including any costs, charges, liabilities and expenses, due and payable to a PP Derivative Contract Counterparty and which under the relevant swap agreement are expressed to rank *pari passu* with interest or principal (as applicable) due to PP Noteholders.

24. Action by PP Noteholders' Representative

Only the PP Noteholders' Representative may enforce the rights of the PP Noteholders under the Public Pandbrieven and/or the PP Programme Documents against the Issuer (or PP Special Estate, as applicable). Unless explicitly provided otherwise in the PP Conditions, no person shall be entitled to proceed directly against the Issuer to enforce the performance of any provision of the Public Pandbrieven and/or the PP Programme Documents.

However, if the PP Noteholders' Representative does not react or does not take any action within ten (10) calendar days of being so directed by the PP Noteholders in accordance with the PP Conditions and the Rules of Organisation of the PP Noteholders, then the PP Noteholders shall have individual rights to enforce the performance of any provision of the Public Pandbrieven and/or the PP Programme Documents. Such rights remain however subject to the required quorums, where applicable.

25. Governing Law and Jurisdiction

(a) *Governing Law*

The Public Pandbrieven (and any non-contractual obligations arising out of or in connection with the Public Pandbrieven) are governed by, and construed in accordance with, Belgian law.

(b) *Jurisdiction*

The Dutch speaking (*Nederlandstalige/Néerlandophones*) courts of Brussels, Belgium are to have jurisdiction to settle any disputes that may arise out of or in connection with any Public Pandbrieven (including any disputes relating to any non-contractual obligations arising out of or in connection with the Public Pandbrieven).

SECTION 9
RULES OF ORGANISATION OF THE NOTEHOLDERS

9.1 MORTGAGE PANDBRIEVEN

TITLE I
GENERAL PROVISIONS

1 General

1.1 Each MP Noteholder is a member of the Organisation of the MP Noteholders.

1.2 The purpose of the Organisation of the MP Noteholders is to co-ordinate the exercise of the rights of the MP Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the MP Noteholders.

1.3 The Organisation of the MP Noteholders in respect of each Series of Mortgage Pandbrieven issued under the MP Programme by Belfius Bank SA/NV is created concurrently with the issuance and subscription of the Mortgage Pandbrieven and each such Series is governed by these Rules of Organisation of the MP Noteholders. Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations shall not apply.

1.4 These Rules shall remain in full force and effect until full repayment or cancellation of all the Mortgage Pandbrieven of whatever Series.

1.5 The contents of these Rules are deemed to be an integral part of the MP Conditions of the Mortgage Pandbrieven of each Series issued by the Issuer.

2 Definitions and Interpretation

2.1 Definitions

In these Rules:

"**Block Voting Instruction**" means a document issued by a Recognised Accountholder or the Securities Settlement System in accordance with Article 7.1;

"**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with these Rules and with respect to matters referred to under Article 6.1;

"**Liabilities**" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses;

"**MP Clearing Services Agreement**" means the clearing services agreement in relation to the MP Programme, entered into on or about 19 September 2016 and as updated, revised, supplemented, amended and/or restated or replaced from time to time, between the Issuer, the NBB-SSS and the principal paying agent, acting as domiciliary agent

"**MP Conditions**" means the terms and conditions and the MP Final Terms of the Mortgage Pandbrieven of the relevant Series or Tranche issued by the Issuer;

"**MP Common Terms**" means the terms and conditions which are common to all Mortgage Pandbrieven issued under the MP Programme as set out in the MP Programme Agreement;

"**MP Distribution Agreement**" means the distribution agreement in relation to the MP Programme for Mortgage Pandbrieven issued under the Base Prospectus, initially dated 8 November 2012 and as updated, revised, supplemented, amended and/or restated from time to time, between the Issuer, the arranger and the dealers;

"**MP Noteholders' Representative**" means Stichting Belfius Mortgage Pandbrieven Noteholders' Representative or the noteholders' representative who may be appointed by the MP Noteholders in accordance with Article 14 (as applicable);

"**MP Programme Documents**" means the Base Prospectus, the MP Programme Agreement, the MP Noteholders' Representative Agreement, the MP Agency Agreement, the MP Distribution Agreement, the MP Clearing Services Agreement and any other agreement or document entered into from time to time under or in connection with the MP Programme (as the same may be amended, supplemented, replaced and/or restated from time to time) and designated as a programme document;

"**MP Programme Resolution**" means any resolution passed at a meeting duly convened and held in accordance with these Rules and with respect to matters referred to under Article 6.3;

"**Ordinary Resolution**" means any resolution passed at a meeting duly convened and held in accordance with these Rules and with respect to matters referred to under Article 6.2;

"**Organisation of the MP Noteholders"** means the organisation of the MP Noteholders that is created upon the issuance of the Mortgage Pandbrieven and that is governed by these Rules of Organisation of the MP Noteholders;

"**Recognised Accountholder**" means, in relation to one or more Mortgage Pandbrieven, the recognised accountholder (*erkende rekeninghouder/teneur de compte agréé)* within the meaning of Article 7:35 of the Belgian Code of Companies and Associations with which an MP Noteholder holds such Mortgage Pandbrieven on a securities account;

"**Resolution**" means an Ordinary Resolution, an Extraordinary Resolution or a MP Programme Resolution;

"**Rules**" or **"Rules of Organisation of the MP Noteholders"** means these rules governing the Organisation of the MP Noteholders;

"**Voting Certificate**" means a certificate issued by a Recognised Accountholder or the Securities Settlement System in accordance with Article 7.1; and

"**Written Resolution**" means a resolution in writing as referred to in Article 12.

Capitalised words used in these Rules and not otherwise defined herein, shall have the meaning and the construction ascribed to them in the MP Conditions.

2.2 Interpretation

In these Rules:

(c) references to the ***Issuer*** are to Belfius Bank SA/NV and shall, with respect to the management of the MP Special Estate following the appointment of a MP Cover Pool Administrator and where the context so requires, be deemed to be a reference to the MP Cover Pool Administrator;

(d) references to a ***meeting*** are to a meeting of MP Noteholders of a single Series of Mortgage Pandbrieven (except in case of a meeting to pass a MP Programme Resolution, in which case the Mortgage Pandbrieven of all Series are taken together as a single Series) and include, unless the context otherwise requires, any adjournment;

(e) references to ***Mortgage Pandbrieven*** and ***MP Noteholders*** are only to the Mortgage Pandbrieven of the Series in respect of which a meeting has been, or is to be, called and to the holders of those Mortgage Pandbrieven, respectively; and

(f) any reference to an ***Article*** shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

TITLE II
MEETINGS OF THE MP NOTEHOLDERS

3 Convening a Meeting

3.1 Initiative

The Issuer or the MP Noteholders' Representative (as the case may be) may convene a meeting at any time. A meeting shall be convened by the MP Noteholders' Representative (i) upon the request in writing of MP Noteholders holding not less than one fifth of the aggregate outstanding principal amount of the relevant Series of the Mortgage Pandbrieven or (ii) in the case of a proposed liquidation of the MP Special Estate in accordance with Article 11, 6° or 7 of Annex III to the Banking Law.

The Issuer or the MP Noteholders' Representative can convene a single meeting of MP Noteholders of more than one Series if in the opinion of the MP Noteholders' Representative the subject matter of the meeting is relevant to the MP Noteholders of each of those Series.

3.2 Time and place

Every meeting shall be held at a time and place approved by the MP Noteholders' Representative. It being understood that meetings can be held by way of conference call or by use of videoconference platform.

3.3 Notice

At least 14 calendar days' notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) specifying the date, time and place of the meeting (or, if relevant, the applicable dial-in details when the meeting will be held by way of conference call or by use of a videoconference platform) shall be given to the MP Noteholders in accordance with MP Condition 9 (*Notices*) with a copy to the Issuer, the MP Cover Pool Administrator or the MP Noteholders' Representative, as the case may be. The notice shall set out the full text of any resolutions to be proposed. In addition, the notice shall explain (i) how holders of Dematerialised Mortgage Pandbrieven may obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable and (ii) the formalities and procedures to validly cast a vote at a meeting in respect of Registered Mortgage Pandbrieven.

4 Chairman

The chairman of a meeting shall be such person (who may, but need not be, a MP Noteholder) as the Issuer or the MP Noteholders' Representative (as applicable) may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting, the meeting shall be chaired by the person elected by the majority of the voters present, failing which, the MP Noteholders' Representative shall appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman at the original meeting.

5 Quorum and Adjournment

5.1 Quorum

The quorum at any meeting the purpose of which is to pass an Ordinary Resolution, an Extraordinary Resolution concerning matters referred to under Article 6.1 (a) to (d) or a MP Programme Resolution concerning matters referred to under Article 6.3 (a) to (c), will be one or more persons holding or representing at least 50 per cent. of the aggregate outstanding principal amount of the Mortgage Pandbrieven of the relevant Series (with the Mortgage Pandbrieven of all Series taken together as a single Series in case of a MP Programme Resolution), or, at an adjourned meeting, one or more persons being or representing MP Noteholders of the relevant Series for the time being outstanding, whatever the outstanding principal amount of the Mortgage Pandbrieven so held or represented.

At any meeting the purpose of which is to pass an Extraordinary Resolution concerning matters referred to under Article 6.1 (e) to (i), the quorum will be one or more persons holding or representing not less than two thirds of the aggregate outstanding principal amount of the Mortgage Pandbrieven of such Series or, at any adjourned meeting, one or more persons being or representing not less than one third of the aggregate outstanding principal amount of the Mortgage Pandbrieven of such Series for the time being outstanding.

At any meeting the purpose of which is to pass a MP Programme Resolution concerning matters referred to under Article 6.3 (d), the quorum will be one or more persons holding or representing not less than two thirds of the aggregate principal amount outstanding of the Mortgage Pandbrieven of all Series taken together as a single Series, including at an adjourned meeting.

No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the request of MP Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 7 nor more than 42 calendar days later, and be held at such time and place as the chairman may decide.

Mortgage Pandbrieven held by the Issuer shall not be taken into account for the calculation of the required quorum.

Purpose of the meeting	**Required proportion for an initial meeting to be quorate**	**Required proportion for an adjourned meeting to be quorate**
To pass any Ordinary Resolution	50%	No minimum proportion
To pass any Extraordinary Resolution concerning matters referred to under Article 6.1 (a) to (d)	50%	No minimum proportion
To pass any Extraordinary Resolution concerning matters referred to under Article 6.1 (e) to (i)	Two thirds	One third
To pass any MP Programme Resolution concerning matters referred to under Article 6.3 (a) to(c)	50%	No minimum proportion
To pass any MP Programme Resolution	Two thirds	Two thirds

Purpose of the meeting	Required proportion for an initial meeting to be quorate	Required proportion for an adjourned meeting to be quorate
concerning matters referred to under Article 6.3 (d)		

5.2 Adjournment

The chairman may (and shall if directed by a meeting) adjourn the meeting "from time to time and from place to place". Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this Article 5.2.

5.3 Notice following adjournment

At least 10 calendar days' notice of a meeting adjourned for want of quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting.

Except in case of a meeting to consider an Extraordinary Resolution or a MP Programme Resolution, it shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

6 Powers of Meetings

6.1 Extraordinary Resolution

A meeting shall, subject to the MP Conditions and only with the consent of the Issuer, and without prejudice to any powers conferred on other persons by these Rules, have power by Extraordinary Resolution:

(a) to approve any modification, abrogation, variation or compromise in respect of (i) the rights of the MP Noteholders' Representative, the Issuer, the MP Noteholders or any of them, whether such rights arise under the MP Programme Documents or otherwise, or (ii) these Rules, the MP Conditions or any MP Programme Document in respect of the material obligations of the Issuer under or in respect of the Mortgage Pandbrieven (other than as referred to under (e) to (i) or under Article 6.3);

(b) to discharge or exonerate, whether retrospectively or otherwise, the MP Noteholders' Representative from any liability in relation to any act or omission for which the MP Noteholders' Representative has or may become liable pursuant or in relation to these Rules, the MP Conditions or any MP Programme Document;

(c) to give any authority or approval which under these Rules or the MP Conditions is required to be given by Extraordinary Resolution;

(d) to authorise the MP Noteholders' Representative (subject to it being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(e) to waive any breach or authorise any proposed breach by the Issuer of its obligations in respect of the Mortgage Pandbrieven or to waive the occurrence of a Payment Default;

(f) to change any date fixed for payment of principal or interest in respect of the Series of Mortgage Pandbrieven, to reduce or cancel the amount of principal or interest payable on any date in respect of the Series of Mortgage Pandbrieven or to alter the method of calculating the amount of any

payment in respect of the Series of Mortgage Pandbrieven on redemption or maturity or the date for any such payment;

(g) to effect the exchange or substitution of the Series of Mortgage Pandbrieven for, or the conversion of the Series of Mortgage Pandbrieven into, shares, bonds or other obligations or securities of the Issuer;

(h) to change the currency in which amounts due in respect of the Series of Mortgage Pandbrieven are payable; and

(i) to change the quorum required at any meeting of the MP Noteholders or the majority required to pass any Extraordinary Resolution or a MP Programme Resolution.

6.2 Ordinary Resolution

A meeting shall, subject to the MP Conditions and only with the consent of the Issuer, and without prejudice to any powers conferred on other persons by these Rules, have power to decide by Ordinary Resolution on any business which is not listed under Article 6.1 (Extraordinary Resolution) or under Article 6.3 (MP Programme Resolution).

6.3 MP Programme Resolution

A meeting shall, subject to the MP Conditions and without prejudice to any powers conferred on other persons by these Rules or the Belgian Covered Bonds Regulations, have power by MP Programme Resolution:

(a) to remove or replace (i) the MP Noteholders' Representative or (ii) the managing director of the MP Noteholders' Representative pursuant to Article 14;

(b) with the consent of the Issuer, to amend the MP Common Terms;

(c) to evaluate the MP Cover Pool Administrator's proposal or decision to liquidate the MP Special Estate and the early repayment of the Mortgage Pandbrieven in accordance with Article 11, 6° of Annex III to the Banking Law; and

(d) to proceed with the liquidation of the MP Special Estate and the early repayment of the Mortgage Pandbrieven in accordance with Article 11, 7° of Annex III to the Banking Law.

7 Arrangements for Voting

7.1 Dematerialised Mortgage Pandbrieven

No votes shall be validly cast at a meeting in respect of Dematerialised Mortgage Pandbrieven, unless in accordance with a Voting Certificate or Block Voting Instruction. Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations shall not apply.

Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Dematerialised Mortgage Pandbrieven held to the order or under the control and blocked by a Recognised Accountholder and which have been deposited at the registered office of the Issuer or any other person appointed thereto not less than three and not more than six Business Days before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Mortgage Pandbrieven continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Mortgage Pandbrieven to which such Voting Certificate or Block Voting Instruction relates.

In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.

Voting Certificates

A Voting Certificate shall:

(a) be issued by a Recognised Accountholder or the Securities Settlement System;

(b) state that on the date thereof (i) Mortgage Pandbrieven (not being Mortgage Pandbrieven in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were held to its order or under its control and blocked by it and (ii) that no such Mortgage Pandbrieven will cease to be so held and blocked until the first to occur of:

- the conclusion of the meeting specified in such Voting Certificate or, if applicable, any such adjourned meeting; and
- the surrender of the Voting Certificate to the Recognised Accountholder or Securities Settlement System who issued the same; and

(c) further state that until the release of the Mortgage Pandbrieven represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Mortgage Pandbrieven represented by such certificate.

Block Voting Instructions

A Block Voting Instruction shall:

(a) be issued by a Recognised Accountholder;

(b) certify that (i) Mortgage Pandbrieven (not being Mortgage Pandbrieven in respect of which a Voting Certificate has been issued which is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were held to its order or under its control and blocked by it and (ii) that no such Mortgage Pandbrieven will cease to be so held and blocked until the first to occur of:

- the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
- the giving of notice by the Recognised Accountholder to the Issuer, stating that certain of such Mortgage Pandbrieven cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

(c) certify that each holder of such Mortgage Pandbrieven has instructed such Recognised Accountholder that the vote(s) attributable to the Mortgage Pandbrieven so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing 3 Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;

(d) state the principal amount outstanding of the Mortgage Pandbrieven so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto

should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and

(e) naming one or more persons (each hereinafter called a "**proxy**") as being authorised and instructed to cast the votes attributable to the Mortgage Pandbrieven so listed in accordance with the instructions referred to in (d) above as set out in such document.

7.2 Registered Mortgage Pandbrieven

Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations shall not apply. The formalities and procedures to validly cast a vote at a meeting in respect of Registered Mortgage Pandbrieven shall be such formalities and procedures as described in the notice referred to in Article 3.3.

8 Meeting Attendance

The following may attend and speak at a meeting:

(a) MP Noteholders and their proxies;

(b) the chairman;

(c) the Issuer, the MP Noteholders' Representative (through their respective representatives) and their respective financial and legal advisers; and

(d) the MP Dealers and their advisers.

9 Voting

9.1 Voting by show of hands

Every question submitted to a meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Each voter shall have one vote. Where there is only one voter, this Article 9.1 shall not apply and the resolution will immediately be decided by means of a poll.

9.2 Voting by poll

A demand for a poll shall be valid if it is made by the chairman, the Issuer, the MP Noteholders' Representative or one or more MP Noteholders present or validly represented at the meeting and representing or holding not less than one fiftieth of the aggregate outstanding principal amount of the relevant Series of the outstanding Mortgage Pandbrieven. A poll shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs, but any poll demanded on the election of the chairman or on any question of adjournment shall be taken at the meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant meeting for any other business as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken.

On a poll each voter has one vote in respect of each integral currency unit of the specified Currency of such Series or such other amount as the MP Noteholders' Representative may stipulate in its absolute discretion in nominal amount of the outstanding Mortgage Pandbrieven represented or held by such voter. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

9.3 Mortgage Pandbrieven held by the Issuer

In case Mortgage Pandbrieven are held by the Issuer, the Issuer shall not have any voting rights with respect to such Mortgage Pandbrieven.

9.4 Equality of votes

In case of equality of votes the chairman shall have a casting vote in addition to any other votes which he may have.

9.5 Voting majority

An Extraordinary Resolution shall be validly passed by a voting majority of at least $66^{2/3}$ per cent. of the aggregate outstanding principal amount of the Series of Mortgage Pandbrieven for which votes have been cast. An Ordinary Resolution shall be validly passed by a simple majority of at least 50 per cent. of the aggregate outstanding principal amount of the Series of Mortgage Pandbrieven for which votes have been cast plus one vote. A MP Programme Resolution shall be validly passed by a simple majority of at least 50 per cent. of the aggregate outstanding principal amount of the Mortgage Pandbrieven for which votes have been cast plus one vote, with the Mortgage Pandbrieven of all Series taken together as a single Series.

10 Effect and Notice of Resolutions

A Resolution shall be binding on all the MP Noteholders, whether or not present at the meeting, when it has been validly passed in accordance with these Rules and each of them shall be bound by it and be bound to give effect to it accordingly.

Save as the MP Noteholders' Representative may otherwise agree, notice of the result of every vote on a Resolution shall be given to the MP Noteholders in accordance with MP Condition 9 (*Notices*), with a copy to the Issuer, the MP Cover Pool Administrator (as the case may be) and the MP Noteholders' Representative within 14 calendar days of the conclusion of the meeting but failure to do so shall not invalidate the resolution. Notice of the result of a voting on a MP Programme Resolution shall also be given to the relevant Rating Agencies to the extent any rated Mortgage Pandbrieven are outstanding, unless otherwise agreed upon between the Issuer and the relevant Rating Agency.

11 Minutes

Minutes of all resolutions and proceedings at each meeting shall be made. The chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

12 Written Resolution

A written resolution signed by the holders of 75 per cent. in nominal amount of the relevant Series of the Mortgage Pandbrieven outstanding shall take effect as if it were an Extraordinary Resolution. A written resolution signed by the holders of 50 per cent. in nominal amount of the relevant Series of the Mortgage Pandbrieven outstanding shall take effect as if it were an Ordinary Resolution. To the extent permitted by the applicable law, a written resolution signed by the holders of 50 per cent. in nominal amount of the Mortgage Pandbrieven outstanding as if they were a single Series shall take effect as if it were a MP Programme Resolution. Such resolutions in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more MP Noteholders.

13 Further Regulations

Subject to all other provisions contained in these Rules and with the consent of the Issuer, the MP Noteholders' Representative may prescribe such further regulations regarding the holding of meetings of MP Noteholders and attendance and voting as the MP Noteholders' Representative may determine in its sole discretion.

TITLE III
MP NOTEHOLDERS' REPRESENTATIVE

14 Appointment, Removal and Remuneration

14.1 Appointment and removal of the MP Noteholder's Representative

The Issuer has appointed the MP Noteholders' Representative as legal representative of the MP Noteholders under the MP Noteholders' Representative Agreement. In accordance with Article 14 of Annex III to the Banking Law, the MP Noteholders shall be entitled to remove the MP Noteholders' Representative by MP Programme Resolution provided that (i) they appoint a new MP Noteholders' Representative on substantially the same terms as set out in the MP Programme Documents (including any Schedules thereto) and (ii) neither the managing director of the MP Noteholders' Representative nor the MP Noteholders' Representative so removed shall be responsible for any costs or expenses arising from any such removal.

14.2 Eligibility Criteria

The managing director of the MP Noteholders' Representative shall have the necessary professional and organisational capacity and experience to perform the tasks entrusted to the MP Noteholders' Representative.

14.3 Appointment, removal and resignation of the managing director

A resolution to appoint or to remove the managing director of the MP Noteholders' Representative is made by MP Programme Resolution of the MP Noteholders, except for the appointment of the first managing director of the MP Noteholders' Representative which will be Amsterdamsch Trustee's Kantoor B.V.

A new managing director shall accede to the existing management agreement by way of an accession letter and by doing so, agrees to be bound by the terms of such agreement.

Pursuant to the MP Noteholders' Representative's articles of association, its managing director ceases to hold office in the following cases:

(a) upon voluntary resignation, provided that a successor managing director is appointed;

(b) in the case of a legal entity, upon the ceasing to exist as legal entity, or, in the case of an individual, upon its death;

(c) upon the managing director being declared bankrupt, applying for a suspension of payments or petitioning for application of the debt restructuring provision referred to in the Dutch bankruptcy act in respect of the managing director, provided that a successor managing director is appointed;

(d) upon removal from office by the court in cases provided for by the laws of the Netherlands;

(e) upon removal from office by the board of the MP Noteholders' Representative, provided that a successor managing director is appointed ; and

(f) upon removal from office by a MP Programme Resolution of the MP Noteholders in accordance with Article 14.1, provided that (i) they appoint a new managing director which shall meet the eligibility criteria set out under Rule 14.2, (ii) the MP Other Creditors (to the extent represented by

the MP Noteholders' Representative) have been notified thereof and (iii) neither the managing director so removed nor the MP Noteholders' Representative shall be responsible for any costs or expenses arising from any such removal.

Except in case of Article 14.3(f), any successor managing director shall be appointed by the MP Noteholders' Representative's board (bestuur). In case no managing director is in office, a managing director shall be appointed by the courts of Amsterdam on request by any person having an interest or by the public prosecutor.

Unless the managing director is removed or resigns in accordance with this Article, it shall remain in office until the date on which all Series of the Mortgage Pandbrieven have been cancelled or redeemed and on which all claims of the MP Other Creditors (to the extent represented by the MP Noteholders' Representative) against the MP Special Estate have been settled.

Any removal or resignation of the managing director shall also be binding upon the MP Other Creditors that have chosen to be represented by the MP Noteholders' Representative.

The MP Noteholders' Representative shall inform the MP Noteholders and the MP Other Creditors (to the extent represented by the MP Noteholders' Representative) of any removal or resignation of the managing director and any appointment of a successor managing directors as soon as reasonably practicable.

14.4 Remuneration

The Issuer shall pay to the MP Noteholders' Representative a remuneration for its services as MP Noteholders' Representative as agreed in the MP Noteholders' Representative Agreement or a separate fee letter.

15 Duties and Powers of the MP Noteholders' Representative

15.1 Legal representative

The MP Noteholders' Representative is the legal representative of the MP Noteholders and has the power to exercise the rights conferred on it by these Rules, the MP Conditions, the MP Noteholders' Representative Agreement and the Belgian Covered Bonds Regulations in order to protect the interests of the MP Noteholders in accordance with Article 14, §2 of Annex III to the Banking Law. The MP Noteholders' Representative can also be appointed to represent the MP Other Creditors provided that those MP Other Creditors agree with such representation. Any conflict of interest between the MP Noteholders and such MP Other Creditors will be dealt with in accordance with Article 16.2(r) and MP Condition 16 (*Conflicts of Interest*).

15.2 Acceptance of terms and conditions

The MP Noteholders' Representative can at the request of the Issuer approve the (form of) terms and conditions which are different from the MP Conditions (as defined in the MP Programme Agreement) currently attached to the MP Programme Agreement for the issuance of Mortgage Pandbrieven not contemplated by Schedule 2 of the MP Programme Agreement.

15.3 Meetings and Resolutions of MP Noteholders

Unless the relevant Resolution provides to the contrary, the MP Noteholders' Representative is responsible for implementing all Resolutions of the MP Noteholders. The MP Noteholders' Representative has the right to convene and attend meetings of MP Noteholders to propose any course of action which it considers from time to time necessary or desirable provided that it shall convene a meeting (i) upon the request in writing of MP Noteholders holding not less than one fifth of the aggregate outstanding principal amount of the relevant Series of the Mortgage Pandbrieven or (ii) in the case of a proposed liquidation of the MP Special Estate in accordance with Article 11, 6° or 7° of Annex III to the Banking Law.

15.4 Judicial proceedings

The MP Noteholders' Representative is authorised to represent the MP Noteholders in any judicial proceedings including any bankruptcy or similar proceedings in respect of the Issuer.

15.5 Consents given by the MP Noteholders' Representative

Any consent or approval given by the MP Noteholders' Representative in accordance with these Rules may be given on such terms as the MP Noteholders' Representative deems appropriate and, notwithstanding anything to the contrary contained in these Rules, such consent or approval may be given retrospectively.

In accordance with the Belgian Covered Bonds Regulations, the MP Noteholders' Representative may give any consent or approval, exercise any power, authority or discretion or take any similar action if it is satisfied that the interests of the MP Noteholders will not be materially prejudiced thereby.

15.6 Payment Default

Failure by the Issuer to pay (i) any principal amount or (ii) any interest in respect of any Mortgage Pandbrief in accordance with the MP Conditions will upon receipt of a payment notice constitute a payment default ("**Payment Default**"). The MP Noteholders' Representative shall give written notice thereof to the Issuer by registered mail or per courier and with return receipt ("**Payment Notice**"). In case of failure by the MP Noteholders' Representative to deliver such Payment Notice, any MP Noteholder can deliver such notice to the Issuer (with a copy to the MP Noteholders' Representative).

The MP Noteholders' Representative shall inform the MP Noteholders upon its receipt of a notice in writing from the Issuer of the occurrence of such a failure to pay. However, the MP Noteholders' Representative shall not be bound to take any steps to ascertain whether any Payment Default has happened and, until it shall have actual knowledge or express notice to the contrary, the MP Noteholders' Representative shall be entitled to assume that no Payment Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Mortgage Pandbrieven and under the other MP Programme Documents.

Without prejudice to the powers granted to the MP Cover Pool Administrator, if a Payment Default occurs in relation to a particular Series, the MP Noteholders' Representative may, and shall if so requested in writing by the MP Noteholders of at least $66^{2/3}$ per cent. of the outstanding principal amount of the relevant Series of the Mortgage Pandbrieven then outstanding (excluding any Mortgage Pandbrieven which may be held by the Issuer), serve a notice on the Issuer ("**Acceleration Notice**") by registered mail or per courier and with return receipt that a Payment Default has occurred in relation to such Series, provided in each case it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Acceleration Notice will specify the date on which the Mortgage Pandbrieven become immediately due and payable (the "**Acceleration Date**"), which will be at least two Business Days after the date of Payment Default. A copy of the Acceleration Notice shall be sent to the Supervisory Authority and to the MP Noteholders.

The MP Noteholders' Representative may in accordance with the MP Conditions, the Belgian Covered Bonds Regulations and the MP Programme Documents instruct the relevant MP (Principal) Paying Agent, the other agents under the MP Programme and MP Registrar or any of them to act thereafter, until otherwise instructed by the MP Noteholders' Representative, to effect payments on the terms provided in the MP Agency Agreement (with consequential amendments as necessary and save that the MP Noteholders' Representative's liability under any provisions thereof for the indemnification, remuneration and payment of out of pocket expenses of the agents under the MP Programme shall be limited to amounts for the time being received or recovered by the MP Noteholders' Representative under any of the MP Programme Documents and available to the MP Noteholders' Representative for such purpose) and thereafter to hold all

sums, documents and records held by them in respect of Mortgage Pandbrieven on behalf of the MP Noteholders' Representative.

15.7 MP Programme Limit

The MP Noteholders' Representative will not enquire as to whether or not any Mortgage Pandbrieven are issued in breach of the programme limit equal to EUR 10,000,000,000 (or the equivalent in other currencies at the date of issuance) aggregate principal amount outstanding of Mortgage Pandbrieven at any time (the "**MP Programme Limit**").

15.8 Application of proceeds

The MP Noteholders' Representative shall not be responsible for the receipt or application by the Issuer of the proceeds of the issuance of Mortgage Pandbrieven.

15.9 Delegation

The MP Noteholders' Representative may in the exercise of the powers, discretions and authorities vested in it – in the interest of the MP Noteholders – whether by power of attorney or otherwise, delegate to any person or persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the MP Noteholders' Representative may think fit in the interest of the MP Noteholders. The MP Noteholders' Representative shall use all reasonable care in the appointment of any such delegate and shall be responsible for the actions of such delegate. The MP Noteholders' Representative shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

15.10 Consents given by the MP Noteholders' Representative

Any consent or approval given by the MP Noteholders' Representative in accordance with these Rules may be given on such terms as the MP Noteholders' Representative deems appropriate and, notwithstanding anything to the contrary contained in these Rules, such consent or approval may be given retrospectively.

The MP Noteholders' Representative may give any consent or approval, exercise any power, authority or discretion or take any similar action if it is satisfied that the interests of the MP Noteholders will not be materially prejudiced thereby.

15.11 Discretions

Save as expressly otherwise provided herein, the MP Noteholders' Representative shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the MP Noteholders' Representative by these Rules or by operation of law.

15.12 Obtaining instructions

In connection with matters in respect of which the MP Noteholders' Representative is entitled to exercise its discretion hereunder (including but not limited to forming any opinion in connection with the exercise or non-exercise of any discretion) the MP Noteholders' Representative has the right (but not the obligation) to convene a meeting of MP Noteholders in order to obtain the MP Noteholders' instructions as to how it should act. Prior to undertaking any action, the MP Noteholders' Representative shall be entitled to request that the MP Noteholders indemnify it, prefund it and/or provide it with security as specified in Article 16.2 to its satisfaction.

16 Exoneration of the MP Noteholders' Representative

16.1 Limited obligations

The MP Noteholders' Representative shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the MP Programme Documents.

16.2 Specific limitations

Without limiting the generality of Article 16.1, the MP Noteholders' Representative:

(a) shall not be under any obligation to take any steps to ascertain whether a Payment Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the MP Noteholders' Representative hereunder or under any other relevant document, has occurred and, until the MP Noteholders' Representative has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Payment Default or such other event, condition or act has occurred;

(b) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules or the MP Conditions and, until it shall have actual knowledge or express notice to the contrary, the MP Noteholders' Representative shall be entitled to assume that the Issuer and each other relevant party are duly observing and performing all their respective obligations;

(c) shall not be under any obligation to disclose (unless and to the extent so required under these Rules, the MP Conditions or by applicable law) to any MP Noteholders or any other party, any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the MP Noteholders' Representative by the Issuer or any other person in respect of the MP Special Estate or, more generally, of the MP Programme and no MP Noteholders shall be entitled to take any action to obtain from the MP Noteholders' Representative any such information;

(d) except as expressly required in these Rules, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or the MP Conditions;

(e) shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, nor shall be responsible for assessing any breach or alleged breach by the Issuer and any other party to the transaction, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(i) the nature, status, creditworthiness or solvency of the Issuer;

(i) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;

(ii) the suitability, adequacy or sufficiency of any collection procedure operated by the Issuer or compliance therewith;

(iii) the failure by the Issuer to obtain or comply with any license, consent or other authorisation in connection with the registration or administration of the assets contained in the MP Special Estate; and

(iv) any accounts, books, records or files maintained by the Issuer, the MP Principal Paying Agent or any other person in respect of the MP Special Estate or the Mortgage Pandbrieven;

(f) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issuance of the Mortgage Pandbrieven or the distribution of any of such proceeds to the persons entitled thereto;

(g) shall have no responsibility for procuring or maintaining any rating of the Mortgage Pandbrieven by any credit or rating agency or any other person;

(h) shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the MP Noteholders' Representative contained herein or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(i) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or the MP Conditions;

(j) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the assets contained in the MP Special Estate or any part thereof, whether such defect or failure was known to the MP Noteholders' Representative or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

(k) shall not be under any obligation to guarantee or procure the repayment of the receivables contained in the MP Special Estate or any part thereof;

(l) shall not be responsible for reviewing or investigating any report relating to the MP Special Estate or any part thereof provided by any person;

(m) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the MP Special Estate or any part thereof;

(n) shall not be responsible (except as expressly provided in these Rules) for making or verifying any determination or calculation in respect of the Mortgage Pandbrieven or the MP Special Estate;

(o) shall not be under any obligation to insure the MP Special Estate or any part thereof;

(p) shall, when in these Rules or the MP Conditions it is required in connection with the exercise of its powers, authorities or discretions to have regard to the interests of the MP Noteholders, have regard to the overall interests of the MP Noteholders of each Series as a class of persons and shall not be obliged to have regard to any interests arising from circumstances particular to individual MP Noteholders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual MP Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority, and the MP Noteholders' Representative shall not be entitled to require, nor shall any MP Noteholders be entitled to claim, from the Issuer, the MP Noteholders' Representative or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual MP Noteholders;

(q) shall not, if in connection with the exercise of its powers, authorities or discretions, it is of the opinion that the interest of the MP Noteholders of any one or more Series would be materially prejudiced thereby, exercise such power, authority or discretion without the approval of such MP Noteholders by Extraordinary Resolution;

(r) shall, as regards the powers, authorities and discretions vested in it, except where expressly provided otherwise, have regard to the interests of both the MP Noteholders and the MP Other Creditors of the Issuer which it represents but if, in the opinion of the MP Noteholders' Representative, there is a conflict between their interests the MP Noteholders' Representative will have regard solely to the interest of the MP Noteholders;

(s) may refrain from taking any action or exercising any right, power, authority or discretion vested in it until it has been indemnified and/or secured and/or pre-funded to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or sustained by it as a result. Nothing shall require the MP Noteholders' Representative to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured; and

(t) shall not be liable or responsible for any Liabilities directly or indirectly suffered or incurred by the Issuer, any MP Noteholders or any other person which may result from anything done or omitted to be done by it in accordance with the provisions of these Rules or the MP Conditions except insofar as the same are incurred as a result of fraud, gross negligence or wilful default of the MP Noteholders' Representative.

16.3 Illegality

No provision of these Rules shall require the MP Noteholders' Representative to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The MP Noteholders' Representative may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or Liabilities which it may incur as a consequence of such action. The MP Noteholders' Representative may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

17 Reliance on Information

17.1 Advice

The MP Noteholders' Representative may act on the advice of a certificate, opinion or confirmation of, or any written information obtained from, any lawyer, accountant, banker, broker, tax advisor, credit or rating agency or other expert, notwithstanding that such advice, opinion, certificate, report, engagement letter or other document contain a monetary or other limit in the liability of the providers of such advice, opinion or written information, whether obtained by the Issuer, the MP Noteholders' Representative or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the MP Noteholders' Representative shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

17.2 Certificates of Issuer

The MP Noteholders' Representative shall be at liberty to accept as sufficient evidence:

(a) as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by a director of the Issuer;

(b) that such is the case, a certificate of a director of the Issuer to the effect that any particular dealing, transaction, step or thing is expedient;

and the MP Noteholders' Representative shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

17.3 Resolution or direction of MP Noteholders

The MP Noteholders' Representative shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of MP Noteholders in respect whereof minutes have been made and signed or a direction of the requisite percentage of MP Noteholders, even though it may subsequently be found that there was some defect in the constitution of the meeting of MP Noteholders or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any meeting or the giving of the direction was not valid or binding upon the MP Noteholders.

17.4 Ownership of the Mortgage Pandbrieven

The MP Noteholders' Representative, in order to ascertain ownership of the Mortgage Pandbrieven, may fully rely on:

– the book-entries in the records of the Securities Settlement System, its participants or any Recognised Accountholder in accordance with Article 7:35 et seq. of the Belgian Code of Companies and Associations, as far as the Dematerialised Mortgage Pandbrieven are concerned; and

– the register held in accordance with Article 7:23 et seq. of the Belgian Code of Companies and Associations, as far as the Registered Mortgage Pandbrieven are concerned.

17.5 Clearing Systems

The MP Noteholders' Representative shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the MP Noteholders' Representative considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown in its records as entitled to a particular number of Mortgage Pandbrieven.

17.6 Certificates of Parties to MP Programme Documents

The MP Noteholders' Representative shall have the right to call for and to rely on written certificates issued by any party to the MP Programme Documents (other than the Issuer):

(a) in respect of every matter and circumstance for which a certificate is expressly provided for under the MP Conditions or any MP Programme Document;

(b) as any matter or fact *prima facie* within the knowledge of such party; or

(c) as to such party's opinion with respect to any issuance,

and the MP Noteholders' Representative shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liabilities incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

17.7 Auditors

The MP Noteholders' Representative shall not be responsible for reviewing or investigating any auditors' report, certificate or engagement letter and may rely on the contents of any such report or certificate, notwithstanding that such advice, opinion, certificate, report, engagement letter or other document contain a monetary or other limit in the liability of the providers of such advice, opinion or written information.

17.8 Investor reports

The MP Noteholders' Representative shall be at liberty to rely on as sufficient evidence of the facts stated therein, the regular Investor Reports provided by the Issuer with regard to, among others, the composition of the MP Special Estate which will be made available on the website of the Issuer at www.belfius.be on a monthly basis.

18 Amendments and Modifications

The MP Noteholders' Representative may from time to time and without the consent or sanction of the MP Noteholders concur with the Issuer and any other relevant parties in making any modification to the MP Conditions or to the MP Common Terms:

(a) if the MP Noteholders' Representative is of the opinion that such modification will not be materially prejudicial to the interests of any of the MP Noteholders of any Series; or

(b) if such modification is of a formal, minor or technical nature or, in the opinion of the MP Noteholders' Representative is to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding upon the MP Noteholders and, unless the MP Noteholders' Representative otherwise agrees, shall be notified by the Issuer to the MP Noteholders in accordance with MP Condition 9 (*Notices*) as soon as practicable thereafter.

The MP Noteholders' Representative shall be bound to concur with the Issuer and any other party in making any of the above-mentioned modifications if it is so directed by an Extraordinary Resolution (MP Conditions) or a MP Programme Resolution (MP Common Terms) and if it is indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

Upon the Issuer's request, the MP Noteholders' Representative shall, without the consent or sanction of any of the MP Noteholders, concur with the Issuer in making any modifications to the MP Conditions or to the MP Common Terms that the Issuer may decide in its discretion in order to comply with any criteria of the Rating Agency which may be published after the signing of the initial agreement(s) for the issuance of and subscription for the Mortgage Pandbrieven and which the Issuer certifies to the MP Noteholders' Representative in writing are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Series of the Mortgage Pandbrieven, provided that the MP Noteholders' Representative shall not be obliged to agree to any modification which, in the sole opinion of the MP Noteholders' Representative, as applicable, would have effect of (i) exposing the MP Noteholders' Representative, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the protections, of the MP Noteholders' Representative, as applicable in these Rules or the MP Conditions. For the avoidance of doubt, such modification may include, without limitation, modifications which would allow any derivative contract counterparty not to post collateral in circumstances where it previously would have been obliged to do so. The Rating Agencies are not responsible for any of the decisions that the MP Noteholders' Representative may or may not take based on any rating confirmation or other papers published by such Rating Agency.

19 Waiver

19.1 Waiver of Breach

The MP Noteholders' Representative may at any time and from time to time in its sole discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act, but only if, and in so far as, in its opinion the interests of the holders of any Mortgage Pandbrieven then outstanding shall not be materially prejudiced thereby, authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any of the obligations of or rights against the Issuer or any other relevant party to the MP Programme.

19.2 Binding Nature

Any authorisation, waiver or determination referred in Article 19.1 shall be binding on the MP Noteholders.

19.3 Restriction on powers

The MP Noteholders' Representative shall not exercise any powers conferred upon it by this Article 19:

(a) in contravention of any express direction by an Extraordinary Resolution but so that no such direction shall affect any authorisation, waiver or determination previously given or made, and only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing; or

(b) so as to authorise or waive any obligation or right against the Issuer relating to a matter as referred to under Article 6.1(e) to (i), unless holders of Mortgage Pandbrieven of the relevant Series have, by Extraordinary Resolution, so authorised its exercise.

19.4 Notice of waiver

Unless the MP Noteholders' Representative agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination as referred in Article 19.1 to be notified to the MP Noteholders, as soon as practicable after it has been given or made in accordance with MP Condition 9 (*Notices*).

20 Indemnity

20.1 Indemnification by the Issuer

Except in the case of Article 20.2 below, the Issuer covenants with and undertakes to the MP Noteholders' Representative to indemnify the MP Noteholders' Representative on demand against any Liabilities which are properly incurred by the MP Noteholders' Representative or any other person appointed by the MP Noteholders' Representative under the MP Programme Documents to whom any power, authority or discretion may be delegated by the MP Noteholders' Representative in the execution, or the purported execution, of the powers, authorities and discretions vested in it by the MP Programme Documents, in, or in connection with, (except insofar as the same are incurred because of the gross negligence, wilful default or fraud of the MP Noteholders' Representative or such other third parties):

(a) the performance of the terms of the Mortgage Pandbrieven and the MP Programme Documents;

(b) anything done or purported to be done by the MP Noteholders' Representative or any appointee under the Mortgage Pandbrieven or any other MP Programme Document; or

(c) the exercise or attempted exercise by or on behalf of the MP Noteholders' Representative or any appointee of any of the powers of the MP Noteholders' Representative or any appointee or any other action taken by or on behalf of the MP Noteholders' Representative with a view to or in connection with enforcing any obligations of the Issuer or any other person under any MP Programme Document.

20.2 Indemnification by the MP Noteholders

In the case the MP Noteholders' Representative or any other person appointed by the MP Noteholders' Representative under the MP Programme Documents has acted upon any resolution or direction referred to in Article 17.3, each MP Noteholder covenants with and undertakes to the MP Noteholders' Representative to indemnify the MP Noteholders' Representative on demand and *pro rata* according to its share in the aggregate principal amount outstanding of Mortgage Pandbrieven at the time of such resolution or direction against any Liabilities which are properly incurred (except insofar as the same are incurred because of the gross negligence, wilful default or fraud of the MP Noteholders' Representative or such other third parties) by the MP Noteholders' Representative or any appointee as a result of its acting in relation to that resolution or direction.

21 Liability

21.1 Liability of the MP Noteholders' Representative

Notwithstanding any other provision of these Rules, the MP Noteholders' Representative shall not be liable for any act, matter or thing done or omitted in any way in connection with the Mortgage Pandbrieven, these Rules or the MP Conditions except in relation to its own fraud, gross negligence or wilful default.

The MP Noteholders' Representative is entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to the MP Conditions and these Rules, that such exercise will not be materially prejudicial to the interests of any of the MP Noteholders if a Rating Agency has confirmed in writing that the then current ratings of the Mortgage Pandbrieven would not be adversely affected by such exercise. However, the MP Noteholders' Representative shall not be obliged to seek such confirmation from any Rating Agency. In being entitled to rely on the fact that any Rating Agency has confirmed that the ratings that may be applied to the Mortgage Pandbrieven would not be adversely affected, it is hereby acknowledged by the MP Noteholders' Representative and the MP Noteholders that the above does not impose or extend any actual or contingent liability for the relevant Rating Agency to the MP Noteholders' Representative, the MP Noteholders or any other person or create any legal relations between the relevant Rating Agency and the MP Noteholders' Representative, the MP Noteholders or any other person whether by way of contract or otherwise. The Rating Agencies are not responsible for any of the decisions that the MP Noteholders' Representative may or may not take based on any rating confirmation or other papers published by such Rating Agency.

21.2 Liability of the Issuer

Except in the case of fraud of the Issuer, each MP Noteholder and each MP Other Creditor represented by the MP Noteholders' Representative acknowledges and accepts that the Issuer shall not be liable, in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the MP Noteholders or the MP Other Creditors represented by the MP Noteholders' Representative as a result of the performance by the MP Noteholders' Representative (or its delegate) of its duties or the exercise of any of its rights under the MP Conditions and these Rules.

9.2 PUBLIC PANDBRIEVEN

TITLE I
GENERAL PROVISIONS

1 General

1.1 Each PP Noteholder is a member of the Organisation of the PP Noteholders.

1.2 The purpose of the Organisation of the PP Noteholders is to co-ordinate the exercise of the rights of the PP Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the PP Noteholders.

1.3 The Organisation of the PP Noteholders in respect of each Series of Public Pandbrieven issued under the PP Programme by Belfius Bank SA/NV is created concurrently with the issuance and subscription of the Public Pandbrieven and each such Series is governed by these Rules of Organisation of the PP Noteholders. Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations shall not apply.

1.4 These Rules shall remain in full force and effect until full repayment or cancellation of all the Public Pandbrieven of whatever Series.

1.5 The contents of these Rules are deemed to be an integral part of the PP Conditions of the Public Pandbrieven of each Series issued by the Issuer.

2 Definitions and Interpretation

2.1 Definitions

In these Rules:

"**Block Voting Instruction**" means a document issued by a Recognised Accountholder or the Securities Settlement System in accordance with Article 7.1;

"**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with these Rules and with respect to matters referred to under Article 6.1;

"**Liabilities**" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses;

"**Ordinary Resolution**" means any resolution passed at a meeting duly convened and held in accordance with these Rules and with respect to matters referred to under Article 6.2;

"**Organisation of the PP Noteholders**" means the organisation of the PP Noteholders that is created upon the issuance of the Public Pandbrieven and that is governed by these Rules of Organisation of the PP Noteholders;

"**PP Clearing Services Agreement**" means the clearing services agreement in relation to the PP Programme, dated 10 May 2016 and as updated, revised, supplemented, amended and/or restated from time to time, between the Issuer, the NBB-SSS and the principal paying agent, acting as domiciliary agent;

"**PP Conditions**" means the terms and conditions and the PP Final Terms of the Public Pandbrieven of the relevant Series or Tranche issued by the Issuer;

"**PP Common Terms**" means the terms and conditions which are common to all Public Pandbrieven issued under the PP Programme as set out in the PP Programme Agreement;

"**PP Distribution Agreement**" means the distribution agreement in relation to the PP Programme for Public Pandbrieven issued under the Base Prospectus, initially dated 15 July 2014 and as updated, revised, supplemented, amended and/or restated from time to time, between the Issuer, the arranger and the dealers;

"**PP Noteholders' Representative**" means Stichting Belfius Public Pandbrieven Noteholders' Representative or the noteholders' representative who may be appointed by the PP Noteholders in accordance with Article 14 (as applicable);

"**PP Programme Documents**" means the Base Prospectus, the PP Programme Agreement, the PP Noteholders' Representative Agreement, the PP Agency Agreement, the PP Distribution Agreement, the PP Clearing Services Agreement and any other agreement or document entered into from time to time under or in connection with the PP Programme (as the same may be amended, supplemented, replaced and/or restated from time to time) and designated as a programme document;

"**PP Programme Resolution**" means any resolution passed at a meeting duly convened and held in accordance with these Rules and with respect to matters referred to under Article 6.3;

"**Recognised Accountholder**" means, in relation to one or more Public Pandbrieven, the recognised accountholder (*erkende rekeninghouder/teneur de compte agréé)* within the meaning of Article 7:35 of the Belgian Code of Companies and Associations with which a PP Noteholder holds such Public Pandbrieven on a securities account;

"**Resolution**" means an Ordinary Resolution, an Extraordinary Resolution or a PP Programme Resolution;

"**Rules**" or **"Rules of Organisation of the PP Noteholders"** means these rules governing the Organisation of the PP Noteholders;

"**Voting Certificate**" means a certificate issued by a Recognised Accountholder or the Securities Settlement System in accordance with Article 7.1; and

"**Written Resolution**" means a resolution in writing as referred to in Article 12.

Capitalised words used in these Rules and not otherwise defined herein, shall have the meaning and the construction ascribed to them in the PP Conditions.

2.2 Interpretation

In these Rules:

(a) references to the ***Issuer*** are to Belfius Bank SA/NV and shall, with respect to the management of the PP Special Estate following the appointment of a PP Cover Pool Administrator and where the context so requires, be deemed to be a reference to the PP Cover Pool Administrator;

(b) references to a ***meeting*** are to a meeting of PP Noteholders of a single Series of Public Pandbrieven (except in case of a meeting to pass a PP Programme Resolution, in which case the Public Pandbrieven of all Series are taken together as a single Series) and include, unless the context otherwise requires, any adjournment;

(c) references to ***Public Pandbrieven*** and ***PP Noteholders*** are only to the Public Pandbrieven of the Series in respect of which a meeting has been, or is to be, called and to the holders of those Public Pandbrieven, respectively; and

(d) any reference to an ***Article*** shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

TITLE II
MEETINGS OF THE PP NOTEHOLDERS

3 Convening a Meeting

3.1 Initiative

The Issuer or the PP Noteholders' Representative (as the case may be) may convene a meeting at any time. A meeting shall be convened by the PP Noteholders' Representative (i) upon the request in writing of PP Noteholders holding not less than one fifth of the aggregate outstanding principal amount of the relevant Series of the Public Pandbrieven or (ii) in the case of a proposed liquidation of the PP Special Estate in accordance with Article 11, 6° or 7 of Annex III to the Banking Law.

The Issuer or the PP Noteholders' Representative can convene a single meeting of PP Noteholders of more than one Series if in the opinion of the PP Noteholders' Representative the subject matter of the meeting is relevant to the PP Noteholders of each of those Series.

3.2 Time and place

Every meeting shall be held at a time and place approved by the PP Noteholders' Representative. It being understood that meetings can be held by way of conference call or by use of videoconference platform.

3.3 Notice

At least 14 calendar days' notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) specifying the date, time and place of the meeting (or, if relevant, the applicable dial-in details when the meeting will be held by way of conference call or by use of a videoconference platform) shall be given to the PP Noteholders in accordance with PP Condition 9 (*Notices*) with a copy to the Issuer, the PP Cover Pool Administrator or the PP Noteholders' Representative, as the case may be. The notice shall set out the full text of any resolutions to be proposed. In addition, the notice shall explain (i) how holders of Dematerialised Public Pandbrieven may obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable and (ii) the formalities and procedures to validly cast a vote at a meeting in respect of Registered Public Pandbrieven.

4 Chairman

The chairman of a meeting shall be such person (who may, but need not be, a PP Noteholder) as the Issuer or the PP Noteholders' Representative (as applicable) may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting, the meeting shall be chaired by the person elected by the majority of the voters present, failing which, the PP Noteholders' Representative shall appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman at the original meeting.

5 Quorum and Adjournment

5.1 Quorum

The quorum at any meeting the purpose of which is to pass an Ordinary Resolution, an Extraordinary Resolution concerning matters referred to under Article 6.1 (a) to (d) or a PP Programme Resolution concerning matters referred to under Article 6.3 (a) to (c), will be one or more persons holding or representing at least 50 per cent. of the aggregate outstanding principal amount of the Public Pandbrieven of the relevant Series (with the Public Pandbrieven of all Series taken together as a single Series in case of a PP Programme Resolution), or, at an adjourned meeting, one or more persons being or representing PP Noteholders of the relevant Series for the time being outstanding, whatever the outstanding principal amount of the Public Pandbrieven so held or represented.

At any meeting the purpose of which is to pass an Extraordinary Resolution concerning matters referred to under Article 6.1 (e) to (i), the quorum will be one or more persons holding or representing not less than two thirds of the aggregate outstanding principal amount of the Public Pandbrieven of such Series or, at any adjourned meeting, one or more persons being or representing not less than one third of the aggregate outstanding principal amount of the Public Pandbrieven of such Series for the time being outstanding.

At any meeting the purpose of which is to pass a PP Programme Resolution concerning matters referred to under Article 6.3 (d), the quorum will be one or more persons holding or representing not less than two thirds of the aggregate principal amount outstanding of the Public Pandbrieven of all Series taken together as a single Series, including at an adjourned meeting.

No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the request of PP Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 7 nor more than 42 calendar days later, and be held at such time and place as the chairman may decide.

Public Pandbrieven held by the Issuer shall not be taken into account for the calculation of the required quorum.

Purpose of the meeting	**Required proportion for an initial meeting to be quorate**	**Required proportion for an adjourned meeting to be quorate**
To pass any Ordinary Resolution	50%	No minimum proportion
To pass any Extraordinary Resolution concerning matters referred to under Article 6.1 (a) to (d)	50%	No minimum proportion
To pass any Extraordinary Resolution concerning matters referred to under Article 6.1 (e) to (i)	Two thirds	One third
To pass any PP Programme Resolution concerning matters referred to under Article 6.3 (a) to(c)	50%	No minimum proportion
To pass any PP Programme Resolution concerning matters referred to under Article 6.3 (d)	Two thirds	Two thirds

5.2 Adjournment

The chairman may (and shall if directed by a meeting) adjourn the meeting "from time to time and from place to place". Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this Article 5.

5.3 Notice following adjournment

At least 10 calendar days' notice of a meeting adjourned for want of quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting.

Except in case of a meeting to consider an Extraordinary Resolution or a PP Programme Resolution, it shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

6 Powers of Meetings

6.1 Extraordinary Resolution

A meeting shall, subject to the PP Conditions and only with the consent of the Issuer, and without prejudice to any powers conferred on other persons by these Rules, have power by Extraordinary Resolution:

(a) to approve any modification, abrogation, variation or compromise in respect of (i) the rights of the PP Noteholders' Representative, the Issuer, the PP Noteholders or any of them, whether such rights arise under the PP Programme Documents or otherwise, or (ii) these Rules, the PP Conditions or any PP Programme Document in respect of the material obligations of the Issuer under or in respect of the Public Pandbrieven (other than as referred to under (e) to (i) or under Article 6.3);

(b) to discharge or exonerate, whether retrospectively or otherwise, the PP Noteholders' Representative from any liability in relation to any act or omission for which the PP Noteholders' Representative has or may become liable pursuant or in relation to these Rules, the PP Conditions or any PP Programme Document;

(c) to give any authority or approval which under these Rules or the PP Conditions is required to be given by Extraordinary Resolution;

(d) to authorise the PP Noteholders' Representative (subject to it being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(e) to waive any breach or authorise any proposed breach by the Issuer of its obligations in respect of the Public Pandbrieven or to waive the occurrence of a Payment Default;

(f) to change any date fixed for payment of principal or interest in respect of the Series of Public Pandbrieven, to reduce or cancel the amount of principal or interest payable on any date in respect of the Series of Public Pandbrieven or to alter the method of calculating the amount of any payment in respect of the Series of Public Pandbrieven on redemption or maturity or the date for any such payment;

(g) to effect the exchange or substitution of the Series of Public Pandbrieven for, or the conversion of the Series of Public Pandbrieven into, shares, bonds or other obligations or securities of the Issuer;

(h) to change the currency in which amounts due in respect of the Series of Public Pandbrieven are payable; and

(i) to change the quorum required at any meeting of the PP Noteholders or the majority required to pass any Extraordinary Resolution or a PP Programme Resolution.

6.2 Ordinary Resolution

A meeting shall, subject to the PP Conditions and only with the consent of the Issuer, and without prejudice to any powers conferred on other persons by these Rules, have power to decide by Ordinary Resolution on

any business which is not listed under Article 6.1 (Extraordinary Resolution) or under Article 6.3 (PP Programme Resolution).

6.3 PP Programme Resolution

A meeting shall, subject to the PP Conditions and without prejudice to any powers conferred on other persons by these Rules or the Belgian Covered Bonds Regulations, have power by PP Programme Resolution:

(a) to remove or replace (i) the PP Noteholders' Representative or (ii) the managing director of the PP Noteholders' Representative pursuant to Article 14;

(b) with the consent of the Issuer, to amend the PP Common Terms;

(c) to evaluate the PP Cover Pool Administrator's proposal or decision to liquidate the PP Special Estate and the early repayment of the Public Pandbrieven in accordance with Article 11, 6° of Annex III to the Banking Law; and

(d) to proceed with the liquidation of the PP Special Estate and the early repayment of the Public Pandbrieven in accordance with Article 11, 7° of Annex III to the Banking Law.

7 Arrangements for Voting

7.1 Dematerialised Public Pandbrieven

No votes shall be validly cast at a meeting in respect of Dematerialised Public Pandbrieven, unless in accordance with a Voting Certificate or Block Voting Instruction. Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations shall not apply.

Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Dematerialised Public Pandbrieven held to the order or under the control and blocked by a Recognised Accountholder and which have been deposited at the registered office of the Issuer or any other person appointed thereto not less than three and not more than six Business Days before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Public Pandbrieven continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Public Pandbrieven to which such Voting Certificate or Block Voting Instruction relates.

In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.

Voting Certificates

A Voting Certificate shall:

(a) be issued by a Recognised Accountholder or the Securities Settlement System;

(b) state that on the date thereof (i) Public Pandbrieven (not being Public Pandbrieven in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were held to its order or under its control and blocked by it and (ii) that no such Public Pandbrieven will cease to be so held and blocked until the first to occur of:

- the conclusion of the meeting specified in such Voting Certificate or, if applicable, any such adjourned meeting; and
- the surrender of the Voting Certificate to the Recognised Accountholder or Securities Settlement System who issued the same; and

(c) further state that until the release of the Public Pandbrieven represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Public Pandbrieven represented by such certificate.

Block Voting Instructions

A Block Voting Instruction shall:

(a) be issued by a Recognised Accountholder;

(b) certify that (i) Public Pandbrieven (not being Public Pandbrieven in respect of which a Voting Certificate has been issued which is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were held to its order or under its control and blocked by it and (ii) that no such Public Pandbrieven will cease to be so held and blocked until the first to occur of:

- the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
- the giving of notice by the Recognised Accountholder to the Issuer, stating that certain of such Public Pandbrieven cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

(c) certify that each holder of such Public Pandbrieven has instructed such Recognised Accountholder that the vote(s) attributable to the Public Pandbrieven so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing 3 Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;

(d) state the principal amount outstanding of the Public Pandbrieven so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and

(e) naming one or more persons (each hereinafter called a "proxy") as being authorised and instructed to cast the votes attributable to the Public Pandbrieven so listed in accordance with the instructions referred to in (d) above as set out in such document.

7.2 Registered Public Pandbrieven

Articles 7:162 to 7:176 of the Belgian Code of Companies and Associations shall not apply. The formalities and procedures to validly cast a vote at a meeting in respect of Registered Public Pandbrieven shall be such formalities and procedures as described in the notice referred to in Article 3.3.

8 Meeting Attendance

The following may attend and speak at a meeting:

(a) PP Noteholders and their proxies;

(b) the chairman;

(c) the Issuer, the PP Noteholders' Representative (through their respective representatives) and their respective financial and legal advisers; and

(d) the PP Dealers and their advisers.

9 Voting

9.1 Voting by show of hands

Every question submitted to a meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Each voter shall have one vote. Where there is only one voter, this Article 9.1 shall not apply and the resolution will immediately be decided by means of a poll.

9.2 Voting by poll

A demand for a poll shall be valid if it is made by the chairman, the Issuer, the PP Noteholders' Representative or one or more PP Noteholders present or validly represented at the meeting and representing or holding not less than one fiftieth of the aggregate outstanding principal amount of the relevant Series of the outstanding Public Pandbrieven. A poll shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs, but any poll demanded on the election of the chairman or on any question of adjournment shall be taken at the meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant meeting for any other business as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken.

On a poll each voter has one vote in respect of each integral currency unit of the specified Currency of such Series or such other amount as the PP Noteholders' Representative may stipulate in its absolute discretion in nominal amount of the outstanding Public Pandbrieven represented or held by such voter. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

9.3 Public Pandbrieven held by the Issuer

In case Public Pandbrieven are held by the Issuer, the Issuer shall not have any voting rights with respect to such Public Pandbrieven.

9.4 Equality of votes

In case of equality of votes the chairman shall have a casting vote in addition to any other votes which he may have.

9.5 Voting majority

An Extraordinary Resolution shall be validly passed by a voting majority of at least $66^{2/3}$ per cent. of the aggregate outstanding principal amount of the Series of Public Pandbrieven for which votes have been cast. An Ordinary Resolution shall be validly passed by a simple majority of at least 50 per cent. of the aggregate outstanding principal amount of the Series of Public Pandbrieven for which votes have been cast plus one vote. A PP Programme Resolution shall be validly passed by a simple majority of at least 50 per cent. of the aggregate outstanding principal amount of the Public Pandbrieven for which votes have been cast plus one vote, with the Public Pandbrieven of all Series taken together as a single Series.

10 Effect and Notice of Resolutions

A Resolution shall be binding on all the PP Noteholders, whether or not present at the meeting, when it has been validly passed in accordance with these Rules and each of them shall be bound by it and be bound to give effect to it accordingly.

Save as the PP Noteholders' Representative may otherwise agree, notice of the result of every vote on a Resolution shall be given to the PP Noteholders in accordance with PP Condition 9 (*Notices*), with a copy to the Issuer, the PP Cover Pool Administrator (as the case may be) and the PP Noteholders' Representative within 14 calendar days of the conclusion of the meeting but failure to do so shall not invalidate the resolution. Notice of the result of a voting on a PP Programme Resolution shall also be given to the relevant Rating Agencies to the extent any rated Public Pandbrieven are outstanding, unless otherwise agreed upon between the Issuer and the relevant Rating Agency.

11 Minutes

Minutes of all resolutions and proceedings at each meeting shall be made. The chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

12 Written Resolution

A written resolution signed by the holders of 75 per cent. in nominal amount of the relevant Series of the Public Pandbrieven outstanding shall take effect as if it were an Extraordinary Resolution. A written resolution signed by the holders of 50 per cent. in nominal amount of the relevant Series of the Public Pandbrieven outstanding shall take effect as if it were an Ordinary Resolution. To the extent permitted by the applicable law, a written resolution signed by the holders of 50 per cent. in nominal amount of the Public Pandbrieven outstanding as if they were a single Series shall take effect as if it were a PP Programme Resolution. Such resolutions in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more PP Noteholders.

13 Further Regulations

Subject to all other provisions contained in these Rules and with the consent of the Issuer, the PP Noteholders' Representative may prescribe such further regulations regarding the holding of meetings of PP Noteholders and attendance and voting as the PP Noteholders' Representative may determine in its sole discretion.

TITLE III
PP NOTEHOLDERS' REPRESENTATIVE

14 Appointment, Removal and Remuneration

14.1 Appointment and removal of the PP Noteholder's Representative

The Issuer has appointed the PP Noteholders' Representative as legal representative of the PP Noteholders under the PP Noteholders' Representative Agreement. In accordance with Article 14 of Annex III to the Banking Law, the PP Noteholders shall be entitled to remove the PP Noteholders' Representative by PP Programme Resolution provided that (i) they appoint a new PP Noteholders' Representative on substantially the same terms as set out in the PP Programme Documents (including any Schedules thereto) and (ii) neither the managing director of the PP Noteholders' Representative nor the PP Noteholders' Representative so removed shall be responsible for any costs or expenses arising from any such removal.

14.2 Eligibility Criteria

The managing director of the PP Noteholders' Representative shall have the necessary professional and organisational capacity and experience to perform the tasks entrusted to the PP Noteholders' Representative.

14.3 Appointment, removal and resignation of the managing director

A resolution to appoint or to remove the managing director of the PP Noteholders' Representative is made by PP Programme Resolution of the PP Noteholders, except for the appointment of the first managing director of the PP Noteholders' Representative which will be Amsterdamsch Trustee's Kantoor B.V.

A new managing director shall accede to the existing management agreement by way of an accession letter and by doing so, agrees to be bound by the terms of such agreement.

Pursuant to the PP Noteholders' Representative's articles of association, its managing director ceases to hold office in the following cases:

(a) upon voluntary resignation, provided that a successor managing director is appointed;

(b) in the case of a legal entity, upon the ceasing to exist as legal entity, or, in the case of an individual, upon its death;

(c) upon the managing director being declared bankrupt, applying for a suspension of payments or petitioning for application of the debt restructuring provision referred to in the Dutch bankruptcy act in respect of the managing director, provided that a successor managing director is appointed;

(d) upon removal from office by the court in cases provided for by the laws of the Netherlands;

(e) upon removal from office by the board of the PP Noteholders' Representative, provided that a successor managing director is appointed ; and

(f) upon removal from office by a PP Programme Resolution of the PP Noteholders in accordance with Article 14.1, provided that (i) they appoint a new managing director which shall meet the eligibility criteria set out under Rule 14.2, (ii) the PP Other Creditors (to the extent represented by the PP Noteholders' Representative) have been notified thereof and (iii) neither the managing director so removed nor the PP Noteholders' Representative shall be responsible for any costs or expenses arising from any such removal.

Except in case of Article 14.2(f), any successor managing director shall be appointed by the PP Noteholders' Representative's board (bestuur). In case no managing director is in office, a managing director shall be

appointed by the courts of Amsterdam on request by any person having an interest or by the public prosecutor.

Unless the managing director is removed or resigns in accordance with this Article, it shall remain in office until the date on which all Series of the Public Pandbrieven have been cancelled or redeemed and on which all claims of the PP Other Creditors (to the extent represented by the PP Noteholders' Representative) against the PP Special Estate have been settled.

Any removal or resignation of the managing director shall also be binding upon the PP Other Creditors that have chosen to be represented by the PP Noteholders' Representative.

The PP Noteholders' Representative shall inform the PP Noteholders and the PP Other Creditors (to the extent represented by the PP Noteholders' Representative) of any removal or resignation of the managing director and any appointment of a successor managing directors as soon as reasonably practicable.

14.4 Remuneration

The Issuer shall pay to the PP Noteholders' Representative a remuneration for its services as PP Noteholders' Representative as agreed in the PP Noteholders' Representative Agreement or a separate fee letter.

15 Duties and Powers of the PP Noteholders' Representative

15.1 Legal representative

The PP Noteholders' Representative is the legal representative of the PP Noteholders and has the power to exercise the rights conferred on it by these Rules, the PP Conditions, the PP Noteholders' Representative Agreement and the Belgian Covered Bonds Regulations in order to protect the interests of the PP Noteholders in accordance with Article 14, §2 of Annex III to the Banking Law. The PP Noteholders' Representative can also be appointed to represent the PP Other Creditors provided that those PP Other Creditors agree with such representation. Any conflict of interest between the PP Noteholders and such PP Other Creditors will be dealt with in accordance with Article 16.2(r) and PP Condition 16 (*Conflicts of Interest*).

15.2 Acceptance of terms and conditions

The PP Noteholders' Representative can at the request of the Issuer approve the (form of) terms and conditions which are different from the PP Conditions (as defined in the PP Programme Agreement) currently attached to the PP Programme Agreement for the issuance of Public Pandbrieven not contemplated by Schedule 2 of the PP Programme Agreement.

15.3 Meetings and Resolutions of PP Noteholders

Unless the relevant Resolution provides to the contrary, the PP Noteholders' Representative is responsible for implementing all Resolutions of the PP Noteholders. The PP Noteholders' Representative has the right to convene and attend meetings of PP Noteholders to propose any course of action which it considers from time to time necessary or desirable provided that it shall convene a meeting (i) upon the request in writing of PP Noteholders holding not less than one fifth of the aggregate outstanding principal amount of the relevant Series of the Public Pandbrieven or (ii) in the case of a proposed liquidation of the PP Special Estate in accordance with Article 11, 6° or 7° of Annex III to the Banking Law.

15.4 Judicial proceedings

The PP Noteholders' Representative is authorised to represent the PP Noteholders in any judicial proceedings including any bankruptcy or similar proceedings in respect of the Issuer.

15.5 Consents given by the PP Noteholders' Representative

Any consent or approval given by the PP Noteholders' Representative in accordance with these Rules may be given on such terms as the PP Noteholders' Representative deems appropriate and, notwithstanding anything to the contrary contained in these Rules, such consent or approval may be given retrospectively. In accordance with the Belgian Covered Bonds Regulations, the PP Noteholders' Representative may give any consent or approval, exercise any power, authority or discretion or take any similar action if it is satisfied that the interests of the PP Noteholders will not be materially prejudiced thereby.

15.6 Payment Default

Failure by the Issuer to pay (i) any principal amount or (ii) any interest in respect of any Public Pandbrief in accordance with the PP Conditions will upon receipt of a payment notice constitute a payment default ("**Payment Default**"). The PP Noteholders' Representative shall give written notice thereof to the Issuer by registered mail or per courier and with return receipt ("**Payment Notice**"). In case of failure by the PP Noteholders' Representative to deliver such Payment Notice, any PP Noteholder can deliver such notice to the Issuer (with a copy to the PP Noteholders' Representative).

The PP Noteholders' Representative shall inform the PP Noteholders upon its receipt of a notice in writing from the Issuer of the occurrence of such a failure to pay. However, the PP Noteholders' Representative shall not be bound to take any steps to ascertain whether any Payment Default has happened and, until it shall have actual knowledge or express notice to the contrary, the PP Noteholders' Representative shall be entitled to assume that no Payment Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Public Pandbrieven and under the other PP Programme Documents.

Without prejudice to the powers granted to the PP Cover Pool Administrator, if a Payment Default occurs in relation to a particular Series, the PP Noteholders' Representative may, and shall if so requested in writing by the PP Noteholders of at least $66^{2/3}$ per cent. of the principal amount outstanding of the relevant Series of the Public Pandbrieven then outstanding (excluding any Public Pandbrieven which may be held by the Issuer), serve a notice on the Issuer ("**Acceleration Notice**") by registered mail or per courier and with return receipt that a Payment Default has occurred in relation to such Series, provided in each case it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Acceleration Notice will specify the date on which the Public Pandbrieven become immediately due and payable (the "**Acceleration Date**"), which will be at least two Business Days after the date of Payment Default. A copy of the Acceleration Notice shall be sent to the Supervisory Authority and to the PP Noteholders.

The PP Noteholders' Representative may in accordance with the PP Conditions, the Belgian Covered Bonds Regulations and the PP Programme Documents instruct the relevant PP (Principal) Paying Agent, the other agents under the PP Programme and PP Registrar or any of them to act thereafter, until otherwise instructed by the PP Noteholders' Representative, to effect payments on the terms provided in the PP Agency Agreement (with consequential amendments as necessary and save that the PP Noteholders' Representative's liability under any provisions thereof for the indemnification, remuneration and payment of out of pocket expenses of the agents under the PP Programme shall be limited to amounts for the time being received or recovered by the PP Noteholders' Representative under any of the PP Programme Documents and available to the PP Noteholders' Representative for such purpose) and thereafter to hold all sums, documents and records held by them in respect of Public Pandbrieven on behalf of the PP Noteholders' Representative.

15.7 PP Programme Limit

The PP Noteholders' Representative will not enquire as to whether or not any Public Pandbrieven are issued in breach of the programme limit equal to EUR 10,000,000,000 (or the equivalent in other currencies at the date of issuance) aggregate principal amount outstanding of Public Pandbrieven at any time (the "**PP Programme Limit**").

15.8 Application of proceeds

The PP Noteholders' Representative shall not be responsible for the receipt or application by the Issuer of the proceeds of the issuance of Public Pandbrieven.

15.9 Delegation

The PP Noteholders' Representative may in the exercise of the powers, discretions and authorities vested in it – in the interest of the PP Noteholders – whether by power of attorney or otherwise, delegate to any person or persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the PP Noteholders' Representative may think fit in the interest of the PP Noteholders. The PP Noteholders' Representative shall use all reasonable care in the appointment of any such delegate and shall be responsible for the actions of such delegate. The PP Noteholders' Representative shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

15.10 Consents given by the PP Noteholders' Representative

Any consent or approval given by the PP Noteholders' Representative in accordance with these Rules may be given on such terms as the PP Noteholders' Representative deems appropriate and, notwithstanding anything to the contrary contained in these Rules, such consent or approval may be given retrospectively.

The PP Noteholders' Representative may give any consent or approval, exercise any power, authority or discretion or take any similar action if it is satisfied that the interests of the PP Noteholders will not be materially prejudiced thereby.

15.11 Discretions

Save as expressly otherwise provided herein, the PP Noteholders' Representative shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the PP Noteholders' Representative by these Rules or by operation of law.

15.12 Obtaining instructions

In connection with matters in respect of which the PP Noteholders' Representative is entitled to exercise its discretion hereunder (including but not limited to forming any opinion in connection with the exercise or non-exercise of any discretion) the PP Noteholders' Representative has the right (but not the obligation) to convene a meeting of PP Noteholders in order to obtain the PP Noteholders' instructions as to how it should act. Prior to undertaking any action, the PP Noteholders' Representative shall be entitled to request that the PP Noteholders indemnify it, prefund it and/or provide it with security as specified in Article 16.2 to its satisfaction.

16 Exoneration of the PP Noteholders' Representative

16.1 Limited obligations

The PP Noteholders' Representative shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the PP Programme Documents.

16.2 Specific limitations

Without limiting the generality of Article 16.1, the PP Noteholders' Representative:

(a) shall not be under any obligation to take any steps to ascertain whether a Payment Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the PP Noteholders' Representative hereunder or under any other relevant document, has occurred and, until the PP Noteholders' Representative has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Payment Default or such other event, condition or act has occurred;

(b) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules or the PP Conditions and, until it shall have actual knowledge or express notice to the contrary, the PP Noteholders' Representative shall be entitled to assume that the Issuer and each other relevant party are duly observing and performing all their respective obligations;

(c) shall not be under any obligation to disclose (unless and to the extent so required under these Rules, the PP Conditions or by applicable law) to any PP Noteholders or any other party, any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the PP Noteholders' Representative by the Issuer or any other person in respect of the PP Special Estate or, more generally, of the PP Programme and no PP Noteholders shall be entitled to take any action to obtain from the PP Noteholders' Representative any such information;

(d) except as expressly required in these Rules, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or the PP Conditions;

(e) shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, nor shall be responsible for assessing any breach or alleged breach by the Issuer and any other party to the transaction, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(i) the nature, status, creditworthiness or solvency of the Issuer;

(ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;

(iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Issuer or compliance therewith;

(iv) the failure by the Issuer to obtain or comply with any license, consent or other authorisation in connection with the registration or administration of the assets contained in the PP Special Estate; and

(v) any accounts, books, records or files maintained by the Issuer, the PP Principal Paying Agent or any other person in respect of the PP Special Estate or the Public Pandbrieven;

(f) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issuance of the Public Pandbrieven or the distribution of any of such proceeds to the persons entitled thereto;

(g) shall have no responsibility for procuring or maintaining any rating of the Public Pandbrieven by any credit or rating agency or any other person;

(h) shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the PP Noteholders' Representative contained herein or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(i) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or the PP Conditions;

(j) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the assets contained in the PP Special Estate or any part thereof, whether such defect or failure was known to the PP Noteholders' Representative or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

(k) shall not be under any obligation to guarantee or procure the repayment of the assets contained in the PP Special Estate or any part thereof;

(l) shall not be responsible for reviewing or investigating any report relating to the PP Special Estate or any part thereof provided by any person;

(m) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the PP Special Estate or any part thereof;

(n) shall not be responsible (except as expressly provided in these Rules) for making or verifying any determination or calculation in respect of the Public Pandbrieven or the PP Special Estate;

(o) shall not be under any obligation to insure the PP Special Estate or any part thereof;

(p) shall, when in these Rules or the PP Conditions it is required in connection with the exercise of its powers, authorities or discretions to have regard to the interests of the PP Noteholders, have regard to the overall interests of the PP Noteholders of each Series as a class of persons and shall not be obliged to have regard to any interests arising from circumstances particular to individual PP Noteholders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual PP Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority, and the PP Noteholders' Representative shall not be entitled to require, nor shall any PP Noteholders be entitled to claim, from the Issuer, the PP Noteholders' Representative or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual PP Noteholders;

(q) shall not, if in connection with the exercise of its powers, authorities or discretions, it is of the opinion that the interest of the PP Noteholders of any one or more Series would be materially prejudiced thereby, exercise such power, authority or discretion without the approval of such PP Noteholders by Extraordinary Resolution;

(r) shall, as regards the powers, authorities and discretions vested in it, except where expressly provided otherwise, have regard to the interests of both the PP Noteholders and the PP Other Creditors of the Issuer which it represents but if, in the opinion of the PP Noteholders' Representative, there is a conflict between their interests the PP Noteholders' Representative will have regard solely to the interest of the PP Noteholders;

(s) may refrain from taking any action or exercising any right, power, authority or discretion vested in it until it has been indemnified and/or secured and/or pre-funded to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or sustained by it as a result. Nothing shall require the PP Noteholders' Representative to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured; and

(t) shall not be liable or responsible for any Liabilities directly or indirectly suffered or incurred by the Issuer, any PP Noteholders or any other person which may result from anything done or omitted to be done by it in accordance with the provisions of these Rules or the PP Conditions except insofar as the same are incurred as a result of fraud, gross negligence or wilful default of the PP Noteholders' Representative.

16.3 Illegality

No provision of these Rules shall require the PP Noteholders' Representative to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The PP Noteholders' Representative may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or Liabilities which it may incur as a consequence of such action. The PP Noteholders' Representative may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

17 Reliance on Information

17.1 Advice

The PP Noteholders' Representative may act on the advice of a certificate, opinion or confirmation of, or any written information obtained from, any lawyer, accountant, banker, broker, tax advisor, credit or rating agency or other expert, notwithstanding that such advice, opinion, certificate, report, engagement letter or other document contain a monetary or other limit in the liability of the providers of such advice, opinion or written information, whether obtained by the Issuer, the PP Noteholders' Representative or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the PP Noteholders' Representative shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

17.2 Certificates of Issuer

The PP Noteholders' Representative shall be at liberty to accept as sufficient evidence:

(a) as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by a director of the Issuer;

(b) that such is the case, a certificate of a director of the Issuer to the effect that any particular dealing, transaction, step or thing is expedient;

and the PP Noteholders' Representative shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its

officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

17.3 Resolution or direction of PP Noteholders

The PP Noteholders' Representative shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of PP Noteholders in respect whereof minutes have been made and signed or a direction of the requisite percentage of PP Noteholders, even though it may subsequently be found that there was some defect in the constitution of the meeting of PP Noteholders or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any meeting or the giving of the direction was not valid or binding upon the PP Noteholders.

17.4 Ownership of the Public Pandbrieven

The PP Noteholders' Representative, in order to ascertain ownership of the Public Pandbrieven, may fully rely on:

(a) the book-entries in the records of the Securities Settlement System, its participants or any Recognised Accountholder in accordance with Article 7:35 et seq. of the Belgian Code of Companies and Associations, as far as the Dematerialised Public Pandbrieven are concerned; and

(b) the register held in accordance with Article 7:23 et seq. of the Belgian Code of Companies and Associations, as far as the Registered Public Pandbrieven are concerned.

17.5 Clearing Systems

The PP Noteholders' Representative shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the PP Noteholders' Representative considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown in its records as entitled to a particular number of Public Pandbrieven.

17.6 Certificates of Parties to PP Programme Documents

The PP Noteholders' Representative shall have the right to call for and to rely on written certificates issued by any party to the PP Programme Documents (other than the Issuer):

(a) in respect of every matter and circumstance for which a certificate is expressly provided for under the PP Conditions or any PP Programme Document;

(b) as any matter or fact *prima facie* within the knowledge of such party; or

(c) as to such party's opinion with respect to any issuance,

and the PP Noteholders' Representative shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liabilities incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

17.7 Auditors

The PP Noteholders' Representative shall not be responsible for reviewing or investigating any auditors' report, certificate or engagement letter and may rely on the contents of any such report or certificate, notwithstanding that such advice, opinion, certificate, report, engagement letter or other document contain a monetary or other limit in the liability of the providers of such advice, opinion or written information.

17.8 Investor reports

The PP Noteholders' Representative shall be at liberty to rely on as sufficient evidence of the facts stated therein, the regular Investor Reports provided by the Issuer with regard to, among others, the composition of the PP Special Estate which will be made available on the website of the Issuer at www.belfius.be on a monthly basis.

18 Amendments and Modifications

The PP Noteholders' Representative may from time to time and without the consent or sanction of the PP Noteholders concur with the Issuer and any other relevant parties in making any modification to the PP Conditions or to the PP Common Terms:

(a) if the PP Noteholders' Representative is of the opinion that such modification will not be materially prejudicial to the interests of any of the PP Noteholders of any Series; or

(b) if such modification is of a formal, minor or technical nature or, in the opinion of the PP Noteholders' Representative is to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding upon the PP Noteholders and, unless the PP Noteholders' Representative otherwise agrees, shall be notified by the Issuer to the PP Noteholders in accordance with PP Condition 9 (*Notices*) as soon as practicable thereafter.

The PP Noteholders' Representative shall be bound to concur with the Issuer and any other party in making any of the above-mentioned modifications if it is so directed by an Extraordinary Resolution (PP Conditions) or a PP Programme Resolution (PP Common Terms) and if it is indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

Upon the Issuer's request, the PP Noteholders' Representative shall, without the consent or sanction of any of the PP Noteholders, concur with the Issuer in making any modifications to the PP Conditions or to the PP Common Terms that the Issuer may decide in its discretion in order to comply with any criteria of the Rating Agency which may be published after the signing of the initial agreement(s) for the issuance of and subscription for the Public Pandbrieven and which the Issuer certifies to the PP Noteholders' Representative in writing are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Series of the Public Pandbrieven, provided that the PP Noteholders' Representative shall not be obliged to agree to any modification which, in the sole opinion of the PP Noteholders' Representative, as applicable, would have effect of (i) exposing the PP Noteholders' Representative, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the protections, of the PP Noteholders' Representative, as applicable in these Rules or the PP Conditions. For the avoidance of doubt, such modification may include, without limitation, modifications which would allow any derivative contract counterparty not to post collateral in circumstances where it previously would have been obliged to do so. The Rating Agencies are not responsible for any of the decisions that the PP Noteholders' Representative may or may not take based on any rating confirmation or other papers published by such Rating Agency.

19 Waiver

19.1 Waiver of Breach

The PP Noteholders' Representative may at any time and from time to time in its sole discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act, but only if, and in so far

as, in its opinion the interests of the holders of any Public Pandbrieven then outstanding shall not be materially prejudiced thereby, authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any of the obligations of or rights against the Issuer or any other relevant party to the PP Programme.

19.2 Binding Nature

Any authorisation, waiver or determination referred in Article 19.1 shall be binding on the PP Noteholders.

19.3 Restriction on powers

The PP Noteholders' Representative shall not exercise any powers conferred upon it by this Article 19:

(a) in contravention of any express direction by an Extraordinary Resolution but so that no such direction shall affect any authorisation, waiver or determination previously given or made, and only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing; or

(b) so as to authorise or waive any obligation or right against the Issuer relating to a matter as referred to under Article 6.1 (e) to (i), unless holders of Public Pandbrieven of the relevant Series have, by Extraordinary Resolution, so authorised its exercise.

19.4 Notice of waiver

Unless the PP Noteholders' Representative agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination as referred in Article 19.1 to be notified to the PP Noteholders, as soon as practicable after it has been given or made in accordance with PP Condition 9 (*Notices*).

20 Indemnity

20.1 Indemnification by the Issuer

Except in the case of Article 20.2 below, the Issuer covenants with and undertakes to the PP Noteholders' Representative to indemnify the PP Noteholders' Representative on demand against any Liabilities which are properly incurred by the PP Noteholders' Representative or any other person appointed by the PP Noteholders' Representative under the PP Programme Documents to whom any power, authority or discretion may be delegated by the PP Noteholders' Representative in the execution, or the purported execution, of the powers, authorities and discretions vested in it by the PP Programme Documents, in, or in connection with, (except insofar as the same are incurred because of the gross negligence, wilful default or fraud of the PP Noteholders' Representative or such other third parties):

(a) the performance of the terms of the Public Pandbrieven and the PP Programme Documents;

(b) anything done or purported to be done by the PP Noteholders' Representative or any appointee under the Public Pandbrieven or any other PP Programme Document; or

(c) the exercise or attempted exercise by or on behalf of the PP Noteholders' Representative or any appointee of any of the powers of the PP Noteholders' Representative or any appointee or any other action taken by or on behalf of the PP Noteholders' Representative with a view to or in connection with enforcing any obligations of the Issuer or any other person under any PP Programme Document.

20.2 Indemnification by the PP Noteholders

In the case the PP Noteholders' Representative or any other person appointed by the PP Noteholders' Representative under the PP Programme Documents has acted upon any resolution or direction referred to in Article 17.3, each PP Noteholder covenants with and undertakes to the PP Noteholders' Representative

to indemnify the PP Noteholders' Representative on demand and *pro rata* according to its share in the aggregate principal amount outstanding of Public Pandbrieven at the time of such resolution or direction against any Liabilities which are properly incurred (except insofar as the same are incurred because of the gross negligence, wilful default or fraud of the PP Noteholders' Representative or such other third parties) by the PP Noteholders' Representative or any appointee as a result of its acting in relation to that resolution or direction.

21 Liability

21.1 Liability of the PP Noteholders' Representative

Notwithstanding any other provision of these Rules, the PP Noteholders' Representative shall not be liable for any act, matter or thing done or omitted in any way in connection with the Public Pandbrieven, these Rules or the PP Conditions except in relation to its own fraud, gross negligence or wilful default.

The PP Noteholders' Representative is entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to the PP Conditions and these Rules, that such exercise will not be materially prejudicial to the interests of any of the PP Noteholders if a Rating Agency has confirmed in writing that the then current ratings of the Public Pandbrieven would not be adversely affected by such exercise. However, the PP Noteholders' Representative shall not be obliged to seek such confirmation from any Rating Agency. In being entitled to rely on the fact that any Rating Agency has confirmed that the ratings that may be applied to the Public Pandbrieven would not be adversely affected, it is hereby acknowledged by the PP Noteholders' Representative and the PP Noteholders that the above does not impose or extend any actual or contingent liability for the relevant Rating Agency to the PP Noteholders' Representative, the PP Noteholders or any other person or create any legal relations between the relevant Rating Agency and the PP Noteholders' Representative, the PP Noteholders or any other person whether by way of contract or otherwise. The Rating Agencies are not responsible for any of the decisions that the PP Noteholders' Representative may or may not take based on any rating confirmation or other papers published by such Rating Agency.

21.2 Liability of the Issuer

Except in the case of fraud of the Issuer, each PP Noteholder and each PP Other Creditor represented by the PP Noteholders' Representative acknowledges and accepts that the Issuer shall not be liable, in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the PP Noteholders or the PP Other Creditors represented by the PP Noteholders' Representative as a result of the performance by the PP Noteholders' Representative (or its delegate) of its duties or the exercise of any of its rights under the PP Conditions and these Rules.

SECTION 10
FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Pandbrieven issued under the Programme(s).

Final Terms dated [●]

Belfius Bank SA/NV

Issue of [Aggregate Principal Amount of Tranche]
[Title of [Mortgage/Public] Pandbrieven]

under the EUR 10,000,000,000
Belgian [Mortgage/Public] Pandbrieven (hereinafter the "Pandbrieven") Programme

[MiFID II PRODUCT GOVERNANCE – Solely for the purposes of the product approval process of each Manufacturer (i.e., each person deemed a manufacturer for purposes of the EU Delegated Directive 2017/593, hereinafter referred to as a Manufacturer), the target market assessment in respect of the Pandbrieven as of the date hereof has led to the conclusion that: (i) the target market for the Pandbrieven is eligible counterparties and professional clients each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Pandbrieven to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Pandbrieven (a "Distributor") should take into consideration each Manufacturer's target market assessment. A distributor subject to MiFID II is, however, responsible for undertaking its own target market assessment in respect of the Pandbrieven (by either adopting or refining a Manufacturer's target market assessment) and determining appropriate distribution channels.]

[UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Pandbrieven will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Pandbrieven and which channels for distribution of the Pandbrieven are appropriate. Any person subsequently offering, selling or recommending the Pandbrieven (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Pandbrieven (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Pandbrieven under the relevant Programme is a manufacturer in respect of such Pandbrieven, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Pandbrieven are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended,"MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU ("IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the

"PRIIPs Regulation") for offering or selling the Pandbrieven or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Pandbrieven or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Pandbrieven are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the UK FSMA 2000 and any rules or regulations made under the UK FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Pandbrieven or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Pandbrieven or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PROHIBITION OF SALES TO CONSUMERS – The Pandbrieven are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to "consumers" (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended.

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions in relation to the [Mortgage/Public] Pandbrieven Programme (hereinafter the "**Conditions**") set forth in the Base Prospectus dated [●] [and the Prospectus Supplement dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Pandbrieven described herein for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus and any supplement thereto. Full information on the Issuer and the offer of the Pandbrieven is only available on the basis of the combination of these Final Terms and the Base Prospectus and any supplement thereto. The Base Prospectus and any supplement thereto are available for inspection during normal business hours at the office of the Fiscal Agent and [the office of the Issuer] and are available for viewing on the website of the Issuer.

[The following alternative language applies if the first tranche of an issuance which is being increased was issued under a Base Prospectus (or equivalent) with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions in relation to the [Mortgage/Public] Pandbrieven Programme (hereinafter the "**Conditions**") set forth in the Base Prospectus dated [*original date*] [and the Prospectus Supplement dated [●]]. This document constitutes the Final Terms of the Pandbrieven described herein for the purposes of Article 8.4 of the Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated [*current date*] [and the Prospectus Supplement dated [●]], which [together] constitutes a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Conditions which are extracted from the [Base Prospectus] dated [*original date*] [and the Prospectus Supplement dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Pandbrieven is only available on the basis of the combination of these Final Terms and the [Base Prospectus dated [*current date*] [Prospectuses dated [*original date*] and [*current date*]] [and the Prospectus Supplement dated [●]]. The Base Prospectus dated [*current date*] [Prospectuses] [and the Prospectus Supplement dated [●]] are available for inspection during normal business hours at the office of the Principal Paying Agent and [the office of the Issuer] and [is/are] available for viewing on the website of the Issuer.

[The following alternative language applies if no prospectus is required in accordance with the Prospectus Regulation.]

The [Final Terms] do not constitute final terms for the purposes of Article 8.4 of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). The Issuer is not offering the [Pandbrieven] in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Regulation. Nor is any person authorised to make such an offer of the [Pandbrieven] on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing the [Pandbrieven] on any stock exchange.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.]

1	Issuer:		Belfius Bank (with Legal Entity Identifier number A5GWLFH3KM7YV2SFQL84)
2	(i)	Series Number:	[●]

	(ii)	Tranche Number:	[●]
	(iii)	[Date on which the Pandbrieven become fungible:	[Not Applicable]/[The Pandbrieven shall be consolidated, form a single series and be interchangeable for trading purposes with the Pandbrieven of [*Series*] [*Tranche*] issued on [*insert date*/the Issue Date] with effect from [*the date that is 40 calendar days following the Issue Date*]/[the Issue Date]]]
3	Specified Currency or Currencies:		[●]
4	Aggregate Principal Amount:		
	(i)	Series:	[●]
	[(ii)	Tranche:	[●]]
5	Issue Price:		[●] per cent. of the Aggregate Principal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issuances only, if applicable*)]
6	(i)	Specified Denomination:	[●] [and integral multiples of [●] thereof] [*EUR 100,000 or the equivalent of at least EUR 100,000 in any other currency at the date of issue [(in the case of any Pandbrieven which are to be admitted to trading on a regulated market within the EEA or the UK or offered to the public in a member state of the EEA or the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation)]]*
	(ii)	Calculation Amount:	[●] [*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor] [Note: There must be a common factor in the case of two or more Specified Denominations*]
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●] [Issue Date] [Not Applicable]
8	Maturity Date:		[*Specify date or (for Floating Rate Pandbrieven or any other rate where the Interest Period end date(s) are adjusted) Interest Payment Date falling in or nearest to the relevant month and year*]
9	Extended Maturity Date:		[insert date] *[the date should be that falling one year after the Maturity Date]*
10	Interest Basis:		
	(i)	Period to (but excluding) Maturity Date	[[●] per cent. Fixed Rate] [[●] month [*EURIBOR*] +/- Margin Floating Rate]

			[Zero Coupon] (further particulars specified below)
	(ii)	Period from Maturity Date (including) to Extended Maturity Date (excluding)	[[●] per cent. Fixed Rate] [[●] month [*EURIBOR*] +/- Margin Floating Rate] (further particulars specified below)
11	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Pandbrieven will be redeemed at [[●]/[100]] per cent. of their principal amount.
12	Noteholder Put/Issuer Call:		[Noteholder Put] [Issuer Call] [(Further particulars specified below)] [Not Applicable]
13	(i)	Status of the Pandbrieven:	"*Belgische pandbrieven/Lettres de gage belges*"][European covered bonds (premium)]
	(ii)	Date of additional [Board] approval for issuance of Pandbrieven obtained:	[●] [and [●], respectively]] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Pandbrieven)]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	**Fixed Rate Pandbrief Provisions**			
	(I)	To Maturity Date		[Applicable/Not Applicable]
	(II)	From Maturity Date up to Extended Maturity Date		[Applicable/Not Applicable] *(If (I) and/or (II) above are not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate[(s)] of Interest:		
		(a)	To Maturity Date	[●] per cent. per annum payable in arrears [annually/semi-annually/quarterly/monthly]
		(b)	From Maturity Date up to Extended Maturity Date	[Not Applicable]/[[●] per cent. per annum payable in arrears [annually/semi-annually/quarterly/monthly]
	(ii)	Interest Period Dates:		*(Only to be included for other than fixed coupon amounts)*
		(a)	To Maturity Date	[●] [[*month*] [and [●] [*month*]] in each year] / [in each month] from and including [●] up to and including [●] [adjusted in accordance with the specified Business Day Convention]/[not subject to any adjustment]
		(b)	From Maturity Date up to Extended Maturity Date	[●] [[*month*] [and [●] [*month*]] in each year] / [in each month] from and including [●] up to and including the Extension Payment Date on which the Pandbrieven are

		redeemed in full or the Extended Maturity Date, or on any other date on which the Pandbrieven are fully redeemed in accordance with Condition 3(j)(v), whichever occurs earlier[subject in each case to adjustment in accordance with the specified Business Day Convention]/[not subject to any adjustment]
(iii)	Interest Payment Date(s):	
	(a) To Maturity Date	[●] [[*month*] [and [●] [*month*]] in each year] / [in each month] up to and including [●] [adjusted in accordance with the specified Business Day Convention/[not subject to any adjustment]
	(b) From Maturity Date up to Extended Maturity Date	[●] [[*month*] [and [●] [*month*]] in each year] / [in each month] from and including [●] up to and including the Extension Payment Date on which the Pandbrieven are redeemed in full or the Extended Maturity Date, or on any other date on which the Pandbrieven are fully redeemed in accordance with Condition 3(j)(v), whichever occurs earlier[subject in each case to adjustment in accordance with the specified Business Day Convention]/[not subject to any adjustment].
(iv)	Fixed Coupon Amount[(s)]:	
	(a) To Maturity Date	[Not Applicable]/[[●] per Calculation Amount]
	(b) From Maturity Date up to Extended Maturity Date	[Not Applicable]/[[●] per Calculation Amount]
(v)	Broken Amount(s):	
	(a) To Maturity Date	[Not Applicable]/[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]
	(b) From Maturity Date up to Extended Maturity Date	[Not Applicable]/[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]
(vi)	Day Count Fraction:	
	(a) To Maturity Date	[Actual/Actual]/[Actual/Actual-ISDA/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/ Actual-ICMA]
	(b) From Maturity Date up to Extended Maturity Date	[Not Applicable]/ [Actual/Actual]/[Actual/Actual-ISDA/[Actual/365 [Fixed)]/[Actual/360]/[30/360]/ [360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/ Actual-ICMA]
(vii)	Interest Determination Dates:	
	(a) To Maturity Date	[●] [[*month*] [and [●] [*month*]] in each year] / [in each month] [adjusted in accordance with the specified Business Day Convention]/[not subject to any adjustment]] *(insert*

		regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))
	(b) From Maturity Date up to Extended Maturity Date	[●] [[*month*] [and [●] [*month*]] in each year] / [[in each month] from and including [●] up to and including the Extension Payment Date on which the Pandbrieven are redeemed in full or the Extended Maturity Date, or on any other date on which payment is made in accordance with Condition 3(j)(v), whichever occurs earlier, [subject in each case to adjustment in accordance with the specified Business Day Convention]] / [Not subject to any adjustment] *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)
	(viii) Other terms relating to the method of calculating interest for Fixed Rate Mortgage Pandbrieven:	[Not Applicable]/[*give details*]
	(ix) Business Day Convention	
	(a) To Maturity Date	[Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
	(b) From Maturity Date up to Extended Maturity Date	[Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
15	**Floating Rate Pandbrief Provisions**	
	(I) To Maturity Date	[Applicable/Not Applicable]
	(II) From Maturity Date up to Extended Maturity Date	[Applicable/Not Applicable]
		(If (I) and/or (II) are not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Specified Interest Payment Dates:	
	(a) To Maturity Date	[●] in each year from and including [●] up to and including [●] [adjusted in accordance with the specified Business Day Convention]/[not subject to any adjustment]
	(b) From Maturity Date up to Extended Maturity Date	[●] in each [year/month], from and including [●] up to and including the Extension Payment Date on which the Pandbrieven are redeemed in full or the Extended Maturity Date, or on any other date on which payment is made in accordance with Condition 3(j)(v), whichever occurs earlier, [subject in each case to adjustment in accordance with the specified Business Day Convention]/[not subject to any adjustment]

(ii)	Interest Periods:	
	(a) To Maturity Date	[Not Applicable]/[[●] [subject to adjustment in accordance with the specified Business Day Convention]/[, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
	(b) From Maturity Date up to Extended Maturity Date	[Not Applicable]/[[●] [subject to adjustment in accordance with the specified Business Day Convention]/[, not subject to any adjustment, as the specified Business Day Convention is specified to be Not Applicable]]]
(iii)	Interest Period Dates:	
	(a) To Maturity Date	[Not Applicable]/[●][subject to adjustment in accordance with the specified Business Day Convention]/[Not subject to adjustment, as the specified Business Day Convention] is specified to be Not Applicable]] *(not applicable unless different from Interest Payment Dates)*
	(b) From Maturity Date up to Extended Maturity Date	[Not Applicable] [[●][subject to adjustment in accordance with the specified Business Day Convention]/[, not subject to any adjustment, as the specified Business Day Convention] is specified to be Not Applicable]]] *(not applicable unless different from Interest Payment Dates)*
(iv)	First Interest Payment Date:	[●]
(v)	Business Day Convention:	
	(a) To Maturity Date	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
	(b) From Maturity Date up to Extended Maturity Date	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	
	(a) To Maturity Date	[Not Applicable]/[Screen Rate Determination/ISDA Determination]
	(b) From Maturity Date up to Extended Maturity Date	[Not Applicable]/[Screen Rate Determination/ISDA Determination]
(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	
	(a) To Maturity Date	[●]
	(b) From Maturity Date up to Extended Maturity Date	[Not Applicable]/[●]

(viii) Screen Rate Determination:

(a)	To Maturity Date	[Applicable]/[Not Applicable]
	– Reference Rate:	[●] month [EURIBOR]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
(b)	From Maturity Date up to Extended Maturity Date	[Applicable]/[Not Applicable]
	– Reference Rate:	[●] month [EURIBOR]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]

(ix) ISDA Determination:

(a)	To Maturity Date	[Applicable]/[Not Applicable]
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	[– ISDA Definitions	[2006]]
(b)	From Maturity Date up to Extended Maturity Date	[Applicable]/[Not Applicable]
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	[– ISDA Definitions	[2006]]

(x) [Linear Interpolation: [Not Applicable]/[Applicable] – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation]
(*specify for each short or long interest period*)

(xi) Margin(s):

(a)	To Maturity Date	[[+/-][●] per cent. per annum]/[Not Applicable]
(b)	From Maturity Date up to Extended Maturity Date	[[+/-][●] per cent. per annum]/[Not Applicable]

(xii) Minimum Rate of Interest:

(a)	To Maturity Date	[[●] per cent. per annum]/[Not Applicable]
(b)	From Maturity Date up to Extended Maturity Date	[[+/-][●] per cent. per annum]/[Not Applicable]

(xiii) Maximum Rate of Interest:

(a)	To Maturity Date	[[●] per cent. per annum]/[Not Applicable]

	(b) From Maturity Date up to Extended Maturity Date	[[+/-][●] per cent. per annum]/[Not Applicable]
(xiv)	Day Count Fraction:	
	(a) To Maturity Date	[Actual/Actual]/[Actual/Actual-ISDA/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/ Actual-ICMA]
	(b) From Maturity Date up to Extended Maturity Date	[Actual/Actual]/[Actual/Actual-ISDA/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/ Actual-ICMA]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Pandbrieven, if different from those set out in the Conditions:	
	(a) To Maturity Date	[Not Applicable]/[●]
	(b) From Maturity Date up to Extended Maturity Date	[Not Applicable]/[●]
16	**Zero Coupon Pandbrief Provisions**	[Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Amortisation Yield:	[●] per cent. per annum
(ii)	Any other formula/basis of determining amount payable:	[●]
(iii)	Day Count Fraction:	
	(a) To Maturity Date	[Actual/Actual]/[Actual/Actual-ISDA/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/ Actual-ICMA]
	(b) From Maturity Date up to Extended Maturity Date	[Actual/Actual]/[Actual/Actual-ISDA/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/ Actual-ICMA]
(iv)	Business Day Convention	
	(a) To Maturity Date	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]

	(b)	From Maturity Date up to Extended Maturity Date	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

17	**Issuer Call**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(I)	Optional Redemption Date(s):	[●] subject to adjustment in accordance with the specified Business Day Convention]/[not subject to any adjustment]
	(II)	Optional Redemption Amount(s) of each Pandbrief and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(III)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(IV)	Notice period:	[Not Applicable]/[●] *If setting notice periods which are different from those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and Principal Paying Agent*
18	**Noteholder Put**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(I)	Optional Redemption Date(s):	[●] [subject to adjustment in accordance with the specified Business Day Convention]/[Not subject to adjustment]
	(II)	Optional Redemption Amount(s) of each Pandbrief and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(III)	Notice period:	[●] *If setting notice periods which are different from those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and Principal Paying Agent*
	(IV)	Address for notices	BELFIUS BANK SA/NV Long Term Funding

		Place Charles Rogier 11 1210 Brussels Belgium Tel.: [+32 2 250 70 64]/[+32 2 250 70 28] E-mail: [ltfunding@belfius.be] / [●] With a copy to: BELFIUS BANK SA/NV Transaction Services Securities (Transaction Release and Custody Management) RT 15/06 Place Charles Rogier 11 1210 Brussels Belgium Tel.: +32 2 222 14 08 E-mail: [cmtransrelease@belfius.be; cmcustodymgt@belfius.be] / [●]
19	**Final Redemption Amount of each Pandbrief**	[●] per Calculation Amount
20	**Early Redemption Amount**	
	Early Redemption Amount(s) of each Pandbrief payable on redemption for illegality or for taxation reasons or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE PANDBRIEVEN

21	**Form of Pandbrieven:**	[Dematerialised Pandbrieven/Registered Pandbrieven]
22	**Business Centre(s)**	(*Only applicable for currencies other than euro*) [●]
23	**Consolidation provisions:**	[Not Applicable]/[The provisions in Condition 20 (*Further Issues*) apply]
24	**Other final terms:**	[Not Applicable]/[*give details*] *(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)*

Purpose of Final Terms

These Final Terms comprise the final terms required for issuance [and admission to trading on the regulated market of Euronext Brussels of the Pandbrieven described herein] pursuant to the EUR 10,000,000,000 Belgian [Mortgage/Public] Pandbrieven Programme of Belfius Bank SA/NV as Issuer.

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.][24]

Signed on behalf of the Issuer:

By: .....
Duly authorised

[24] Only to be included if any information in the Final Terms is extracted from a third party source.

PART B - OTHER INFORMATION

1 **LISTING AND ADMISSION TO TRADING**

(i) Admission to trading:	[Application has been made for the Pandbrieven to be listed on [Euronext Brussels] and admitted to trading on the Regulated Market of [Euronext Brussels] with effect from [●]]/[Not Applicable.] (*Where documenting a fungible issuance need to indicate that the original Pandbrieven are already admitted to trading.*)
(ii) Estimate of total expenses related to admission to trading:	[●]

2 **RATINGS**

Ratings:	The Pandbrieven to be issued are expected to be rated: [S&P: [●]] [Moody's: [●]] [Fitch: [●]] [[Other]: [●]] [and endorsed by [*insert details*]][25] (*The above disclosure should reflect the rating allocated to Pandbrieven of the type being issued under the Programme generally or, where the issuance has been specifically rated, that rating*.) *Insert one (or more) of the following options, as applicable*:[26] [[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**").] [[*Insert legal name of particular credit rating agency entity(ies) providing rating*] is established in the United Kingdom and registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] [[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009, as amended (the

[25] "and endorsed by …": Insert this wording where one or more of the ratings included in the Final Terms has been endorsed by an EU registered credit rating agency for the purposes of Article 4(3) of the CRA Regulation.

[26] A list of registered Credit Rating Agencies is published on the ESMA website (https://www.esma.europa.eu/).

"**CRA Regulation**"), although notification of the registration decision has not yet been provided.]

[[*Insert legal name of particular credit rating agency entity(ies) providing rating*] is established in the EU and has applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**").

[[*Insert legal name of particular credit rating agency entity(ies) providing rating*] is established in the United Kingdom and is neither registered nor has it applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU but the rating it has given to the [Pandbrieven] is endorsed by [*insert legal name of credit rating agency*], which is established in the EU and registered under Regulation (EC) No 1060/2009, as amended, supplemented or replaced (the "**CRA Regulation**").

[[*Insert legal name of particular credit rating agency entity(ies) providing rating*] is not established United Kingdom but the rating it has given to the Pandbrieven is endorsed by [*insert legal name of credit rating agency(ies)*], [each of] which is established in the UK and registered under the Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]

[[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU but is certified under Regulation (EC) No 1060/2009, as amended, supplemented or replaced (the "**CRA Regulation**").]

[[*Insert legal name of particular credit rating agency entity(ies) providing rating*] is not

established in the United Kingdom but is certified under under Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]

[[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU and is not certified under Regulation (EC) No 1060/2009, as amended, supplemented or replaced (the "**CRA Regulation**") and the rating it has given to the Pandbrieven is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.]

[[*Insert legal name of particular credit rating agency entity(ies) providing rating*] is not established in the United Kingdom and is not certified under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Pandbrieven is not endorsed by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

3 **LEGAL ADVISERS**

To Belfius Bank SA/NV	[●] [*only to be included where there was a specific legal advisor for a particular issuance*]
To the Dealers	[●] [*only to be included where there was a specific legal advisor for a particular issuance*]

4 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

"So far as the Issuer is aware, no person involved in the offer of the Pandbrieven has an interest material to the offer."

5 **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer:	[See "Use of Proceeds" in the Base Prospectus]/[An amount equivalent to the net proceeds of the issue of the relevant Pandbrieven (being Green Bonds) will be used to finance and/or refinance, in whole or in part, new or existing green loans in accordance with the eligibility criteria set out in the Issuer's Green Bond Framework (for further details, see section "Use of Proceeds" of the Issuer's Green Bond Framework)]/[*If the reasons for the offer are different, those reasons will need to be specified here*.]
[Estimated net proceeds:	[●]]

6 **[*Fixed Rate Pandbrieven only* - YIELD**

Indication of yield:	[●] Calculated as *[include details of method of calculation in summary form]* on the Issue Date. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 **OPERATIONAL INFORMATION**

Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No] [Note that the designation "yes" simply means that the Pandbrieven are intended upon issuance to be deposited in accordance with the rules of the relevant clearing system (where applicable) and does not necessarily mean that the Pandbrieven will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issuance or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
ISIN:	[●]
[Temporary ISIN:	[●]]
Common Code:	[●]
[Temporary Common Code:	[●]]
[CFI:	[Not Applicable/[●]]
[FISN:	[Not Applicable/[●]]
Any clearing system(s) other than the clearing system operated by the National Bank of Belgium, Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)[and address(es)]*]

	Delivery:	Delivery [against/free of] payment
	Names and addresses of additional Paying Agent(s) (if any):	[●]
	Name and address of Calculation Agent (if any):	[●]
	[Relevant Benchmark[s]:	[Not Applicable]/[Applicable]/[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*][appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation.]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation.]
8	**DISTRIBUTION**	
	Method of distribution:	[Syndicated/Non-syndicated]
	(I) If syndicated, names of Managers:	[Not Applicable/*give names of entities*]
	(II) Stabilising Manager(s) (if any):	[Not Applicable/*give names*]
	If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
	Additional Selling Restrictions:	[Not Applicable/*give details*] [For the purpose of this issuance, the U.S. Selling Restrictions are deleted and replaced by the following selling restriction wording: "The Pandbrieven have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. Each relevant Dealer/Manager under this issuance has agreed that it will not offer or sell any Pandbrieven within the United States, except as permitted by the Distribution Agreement. The Pandbrieven are being offered and sold outside the United States in reliance on Regulation S. In addition, until 40 calendar days after the commencement of the offering, an offer or sale of the relevant Pandbrieven within the United States by any dealer may violate the registration requirements of the Securities Act."] [*Text to be included where Reg. S. Compliance Category 1 is selected]*
	US Selling Restrictions:	[Reg. S Compliance [Category 1/Category 2]]/[TEFRA not applicable]

SECTION 11
DESCRIPTION OF THE ISSUER

11.1 Belfius Bank profile

Belfius Bank SA/NV (the "**Issuer**" or "**Belfius Bank**") is a limited liability company (*naamloze vennootschap/société anonyme*) established on 23 October 1962 for an unlimited duration and incorporated under Belgian law which collects savings from the public. The Issuer is licensed as a credit institution in accordance with the Banking Law. It is registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185 and has its registered office at 1210 Brussels, Place Charles Rogier 11, Belgium, telephone +32 22 22 11 11 and website https://www.belfius.be. Belfius Bank's LEI code is A5GWLFH3KM7YV2SFQL84. The commercial name of the Issuer is Belfius Bank in English, Belfius Bank in Dutch and Belfius Banque in French.

The share capital of Belfius Bank as at 30 June 2022 was three billion, four hundred and fifty-eight million, sixty-six thousand, two hundred and twenty-seven euro and forty-one cents (EUR 3,458,066,227.41) and is represented by 359,412,616 registered shares. The shareholding of Belfius Bank is as follows: 359,407,616 registered shares are held by the public limited company of public interest Federal Holding and Investment Company ("**FHIC**"), in its own name but on behalf of the Belgian State, and 5,000 registered shares are held by the public limited company Certi-Fed. Certi-Fed is a fully-owned subsidiary of FHIC. Belfius Bank shares are not listed.

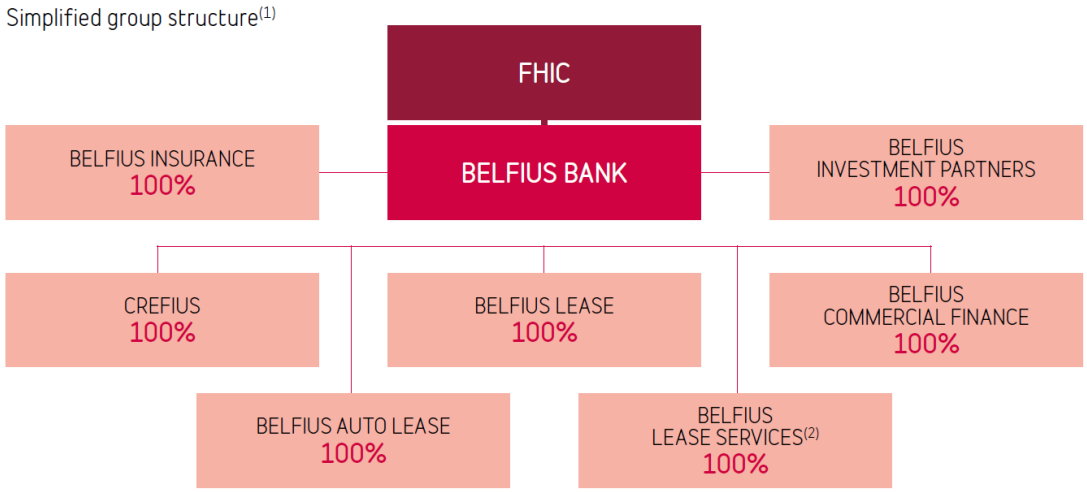
At the end of June 2022, total consolidated balance sheet of the Issuer amounted to EUR 200 billion.

There have been no material contracts that are entered into in the ordinary course of Belfius Bank's business which could result in any member of the Belfius group being under an obligation or an entitlement that is material to Belfius Bank's ability to meet its obligations to Noteholders.

The auditors of Belfius Bank for the historical financial information covered by this Base Prospectus are KPMG Reviseurs d'Entreprises SRL, Gateway building, Luchthaven Nationaal 1 K, 1930 Zaventem, Belgium, being a member of the Belgian *Instituut der Bedrijfsrevisoren/lnstitut des Réviseurs d'Entreprises*. KPMG Reviseurs d'Entreprises SRL were appointed as statutory auditors of Belfius Bank by its ordinary general meeting of shareholders held on 29 April 2020 for a term of three years.

With an essentially Belgian balance sheet for its commercial activities and customers from all segments, Belfius Bank is in a position to act as a universal bank for ten years now and to be "meaningful and inspiring for the Belgian society". Belfius Bank is committed to maximal customer satisfaction and added social value by offering products and providing services with added value through a modern distribution model. Thanks to a prudent investment policy and a carefully managed risk profile, Belfius Bank aspires to a sound financial profile that results in a solid liquidity and solvency position.

Simplified Group structure as at the date of this Base Prospectus



(1) For more details, see the list of subsidiaries of the consolidated financial statements in the annual report of 2021.

Belfius and its consolidated subsidiaries are referred to herein as "**Belfius**".

11.2 Main commercial subsidiaries

Belfius Insurance

Insurance company marketing life and non-life insurance products, savings products and investments for individuals, the self-employed, liberal professions, companies and the public and social sector. At the end of 2021, the total consolidated balance sheet of Belfius Insurance amounted to EUR 22 billion(1).

Crefius

Company servicing and managing mortgage loans. At the end of 2021, the total balance sheet of Crefius amounted to EUR 23 million(2).

Belfius Auto Lease

Company for operational vehicle leasing and car fleet management, maintenance and claims management services. At the end of 2021, the total balance sheet of Belfius Auto Lease amounted to EUR 447 million(2).

Belfius Lease

Company for financial leasing and renting of professional capital goods. At the end of 2021, the total balance sheet of Belfius Lease amounted to EUR 1,043 million(2).

Belfius Lease Services

Financial leasing and renting of professional capital goods to the self-employed, companies and liberal professions. At the end of 2021, the total balance sheet of Belfius Lease Services amounted to EUR 2,193 million(2).

Belfius Commercial Finance

Company for financing commercial loans to debtors, debtor in-solvency risk cover and debt recovery from debtors (factoring). At the end of 2021, the total balance sheet of Belfius Commercial Finance amounted to EUR 1,045 million(2).

Belfius Investment Partners

Company for administration and management of investment funds. At the end of 2021, the total balance sheet of Belfius Investment Partners amounted to EUR 160 million and assets under management amounted to EUR 22.5 billion.

(1) Total consolidated balance sheet of Belfius Insurance.

(2) Total IFRS balance sheet before consolidation adjustments.

11.3 Financial results

11.3.1 Results 2021

Belfius' consolidated net income reached EUR 935 million in 2021, driven by strong commercial dynamics in combination with a positive stock market year and a prosperous risk environment.

Total income amounted to EUR 2,703 million in 2021, up 3% compared to 2020 (EUR 2,614 million) thanks to:

- an increase of net interest income by 2% (EUR 1,623 million in 2021 compared to EUR 1,590 million in 2020) mainly thanks to:
    - the excellent commercial loans dynamics in all segments of the Belgian economy, leading to a continued diversification of the loan portfolio at Belfius;
    - the disciplined pricing thereof, as such compensating for the pressure on interest margins on non-maturing deposits stemming from the historically low interest rate environment; and
    - the increased interest income support from the TLTRO;
- excellent growth in net fee and commission income of Belfius Bank, up by 18% (EUR 732 million in 2021 compared to EUR 622 million in 2020) thanks to increased revenues from asset management and payment services;
- higher life insurance income up by 11% (EUR 302 million in 2021 compared to EUR 273 million in 2020), thanks to further increasing recurring income on life guaranteed products despite a decreasing portfolio;
- lower non-life insurance income, down by 14% (EUR 210 million in 2021 compared to EUR 244 million in 2020), notably due to the strong positive lockdown impact in 2020 for car insurance, a higher average claims cost, the impact of the floods of July 2021 and provision for damages caused by drought;
- other income amounted to EUR -165 million in 2021, more negative than in 2020 (EUR -116 million). The year-on-year delta mainly stems from higher bank levies (EUR 256 million in 2021 compared to EUR 222 million in 2020) and smaller net income on investments.

Costs remained well contained at EUR 1,477 million in 2021, a limited 1% increase against EUR 1,465 million in 2020, driven by an increase in staff expenses, general expenses and network costs, and despite the fact that Belfius continued to invest structurally in IT and digitalisation. This led to a noticeable improvement in the cost-income ratio of 54.6% in 2021 compared to 56.0% in 2020.

All in all, the combination of strong income dynamics, favourable financial markets and the lower-for-longer interest rate environment, together with contained operating expenses, notwithstanding continuing investments in commercial activities, ESG, IT and digitalisation, led to an increase of 7% in pre-provision income, to EUR 1,226 million in 2021 (compared to EUR 1,149 million in 2020).

Belfius made a detailed review of its credit risk portfolio and prudentially managed its IFRS 9 provisions in line with the improving economic environment, leading to a partial net reversal of the 2020 COVID-19 related provisioning and as such a light net reversal of cost of risk of EUR +1 million in 2021 compared to a net allowance of EUR -453 million in 2020.

As a result, net income before taxes amounted to EUR 1,226 million in 2021 compared to EUR 679 million in 2020.

Tax expenses amounted to EUR 290 million in 2021 compared to EUR 147 million in 2020, mainly due to higher taxable profit. The consolidated effective tax rate (ETR) stood at 24%, slightly below the statutory tax rate (25% in 2021).

As a consequence, consolidated net income reached EUR 935 million in 2021 compared to EUR 532 million in 2020.

In terms of financial solidity, Belfius continues to display sound solvency, liquidity and risk metrics:

- the CET 1 ratio stood at 16.37% at the end of 2021, 0.74% down compared to December 2020, mainly as a result of the increasing capacity of profit (+158 bps CET 1 ratio), the negative impact of the strong commercial balance sheet growth (-87 bps CET 1 ratio), a foreseeable pay-out ratio (-62 bps on the CET 1 ratio) and the still on-going stricter regulatory impacts (-71 bps);
- this strong and solid CET 1 level is net of a 40% dividend pay-out ratio, hence a potential full year 2021 dividend of EUR 368.5 million, thanks to which Belfius continued to support its commercial franchise development;
- the total capital ratio stood at 19.8% at the end of 2021 compared to 20.4% at the end of 2020;
- the leverage ratio increased to 7.1% at the end of 2021, up 28 bps compared to the end of 2020;
- insurance activities also posted continued solid solvency metrics, with a Solvency II ratio of 190% end at the end of December 2021;
- at the end of 2021, Belfius also showed an excellent liquidity and funding profile with a LCR of 195%[27] and a NSFR of 136%;
- total shareholders' equity (Net Asset Value) further improved to EUR 11.0 billion at the end of December 2021 (against EUR 10.2 billion at the end of 2020).

11.3.2 Results 1H 2022

Belfius' consolidated net income in 1H 2022 stood at EUR 428 million, driven by strong commercial dynamics and increasing income, and despite inflationary pressures on the cost side.

Total income amounted to EUR 1,309 million in 1H 2022, up +6% or EUR +77 million compared to 1H 2021 (EUR 1,232 million) thanks to:

- increase of the net interest income bank by +1% (EUR 808 million in 1H 2022 vs EUR 797 million in 1H 2021) driven by (a) higher outstanding loans at stabilizing average margin, (b) the early signs of improving interest margins on non-maturing deposits since Q2 2022 and (c) the continued positive impact from the TLTRO III and ECB deposit tiering, despite (d) pressure on new loan margins from general market delay between loan pricings and sharp increases of market interest rates and (e) continued strong competition in the Belgian loan market;
- continued growing net fee and commission income bank by +5% (EUR 377 million in 1H 2022 vs EUR 360 million in 1H 2021) thanks to higher fees from asset management (in line with our 'Bank for Investors' strategy) as well as from distributing Life and Non-Life Insurance;
- rather stable insurance contribution to income, with strong life insurance income (EUR 173 million in 1H 2022 vs EUR 144 million in 1H 2021), also thanks to a sound ALM management of life reserves allowing – in higher interest rates environment – for a partial release of excess life insurance reserves, neutralized by lower non-life insurance income (EUR 93 million in 1H 2022 vs EUR 122 million in 1H 2021), mainly due

[27] Twelve-month average.

to the storms in February 2022, higher claims frequency in Car compared to 1H 2021 that was still more impacted by Covid-19 lockdowns and higher average claims costs due to inflation;

- improving other income to EUR -142 million in 1H 2022 compared to EUR -191 million in 1H 2021 despite higher bank & other levies (EUR -264 million in 1H 2022 vs EUR -258 million in 1H 2021), mainly thanks to a higher positive contribution from the dealing room activities and positive impacts from higher interest rates and credit spread hedges.

Belfius continued to develop its strong footprint, in operational, commercial and financial terms, by investing in brand, human talent and digital capital. The first six months of 2022 have been marked by very strong investments in our Belfius' brand positioning, with amongst others successful campaigns towards Entrepreneurs and Corporates, and the Private and Wealth segments in Belgium. Costs went up by +8% at EUR 776 million in 1H 2022 vs EUR 720 million in 1H 2021 due to inflationary pressures and these strong growth investments. However, thanks to the solid income evolution year on year, Belfius' cost-income ratio remained rather stable at 59% in 1H 2022 compared to 58% in 1H 2021. The cost-income ratio, adjusted for linearization of sector levies both at bank and insurance side, remained also stable at 54% in 1H 2022, compared to 53% in 1H 2021.

All in all, the combination of strong income dynamics, despite unfavourable financial markets and growing operating expenses as well as continuing investments in commercial activities, ESG, IT and digitalization, led to an increase in pre-provision income by +4%, to EUR 532 million in 1H 2022 (vs EUR 512 million in 1H 2021).

In 1H 2022, Belfius made again a detailed review of its credit risk portfolio and continued to calibrate its IFRS 9 provisions:

- the Russian-Ukrainian war and the geopolitical, economic and financial turmoil aggravated by that,
- additional Covid-19 related lockdowns in China, and
- historically very high inflation readings worldwide.

This led in 1H 2022 again to a slightly positive cost of risk of EUR +13 million (net reversal) - compared to EUR +31 million or a net reversal in 1H 2021 - benefiting from a partial reversal of the Covid-19 induced ex-ante credit risk provisions set aside from 2020 onwards.

As a result, the net income before taxes amounted to EUR 545 million in 1H 2022 compared to EUR 542 million in 1H 2021.

The tax expenses amounted to EUR 116 million in 1H 2022 compared to EUR 136 million in 1H 2021, showing an effective tax rate (21%) slightly below the statutory tax rate (25%), benefitting from higher non taxable results (positive result on credit spread hedges in Ireland, capital gains on real estate project, etc.) and innovation deduction regime in line with our innovation investments.

As a consequence, consolidated net income 1H 2022 reached EUR 428 million compared to EUR 406 million in 1H 2021. This is Belfius' highest 1H net income since its origins, back in 2011.

A dividend over full year 2021 results amounting to EUR 368.5 million has been paid to the shareholders in 2022.

In terms of financial solidity metrics, Belfius continues to combine dynamic growth with sound solvency, liquidity and risk metrics:

- the CET1 ratio stood at 16.67%, 0.30% up compared to December 2021, mainly as a result of a decrease in risk weighted assets to EUR 63.2 billion (mainly thanks to the change in regulatory treatment of Belgian mortgage loans), partially offset by a decrease in prudential CET 1 capital;
- the total capital ratio stood at 20.1% compared to 19.8% end 2021;

- the leverage ratio decreased to 5.5%, compared to 7.1% end December 2021, due to lower regulatory Tier 1 capital, the elimination of the Covid-19 related relaxations measures allowing banks to partially exclude certain Central Bank exposures from the total leverage exposure measure as well as higher balance sheet total;
- insurance activities also displayed continued solid solvency metrics, with a Solvency II ratio of 215% end of June 2022;
- end of June 2022, Belfius continued to show an excellent liquidity and funding profile with a LCR of 184% and a NSFR of 140%;
- total shareholders' equity (Net Asset Value) declined slightly to EUR 10.8 billion in the first half of 2022 (vs EUR 11.0 billion end 2021), as a result of negative OCI evolution (due to price decreases in financial markets) partially compensated by increasing equity net of dividend pay-out.

11.4 Minimum CET 1 requirements (SREP)

Belfius Bank reports on its solvency position on a consolidated level and on a statutory level in line with the revised Capital Requirements Regulation and Directive, commonly referred to as CRR 2 and CRD 5:

(a) the minimum capital requirements ("Pillar 1 requirements") as defined by Article 92 of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 (CRR 2);

(b) the capital requirements that are imposed by the decision following the SREP pursuant to Article 16(2)(a) of Regulation (EU) No 1024/2013 and which go beyond the Pillar 1 requirements ("Pillar 2 requirements");

(c) the combined buffer requirement as defined in Article 128(6) of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU (CRD 5).

Minimum CET 1 ratio Requirement

(In %)	2021	1H 2022
Pillar I minimum	4.50%	4.50%
Pillar II requirement	1.125%	1.198%
Capital conservation buffer	2.50%	2.50%
Buffer for (other) domestic systemically important institutions	1.50%	1.50%
Countercyclical buffer	0.01%	0.01%
Sectoral systemic risk buffer	0.00%	0.27%
MINIMUM CET 1 - RATIO REQUIREMENT	**9.635%**	**9.973%**
Pillar II guidance	1.00%	0.75%
MINIMUM CET 1 - RATIO GUIDANCE	**10.635%**	**10.723%**

Following the annual "Supervisory Review and Evaluation Process" finalised at the beginning of 2022 and the notification of the NBB in May 2022 of the introduction of a new sectoral systemic risk buffer for Belgian residential real estate exposures, Belfius has to comply with a minimum CET1 ratio for 1H 2022 of 9.973% (before Pillar 2 Guidance):

(a) a Pillar 1 minimum of 4.5%;

(b) a Pillar 2 Requirement (P2R) of 1.198% (after split of 2.13% P2R);

(c) a capital conservation buffer (CCB) of 2.5%;

(d) a buffer for (other) domestic systemically important institutions (O-SII buffer) of 1.5% (imposed by the National Bank of Belgium);

(e) a sectoral systemic risk buffer of 0.27%; and

(f) a countercyclical capital buffer (CCyB) of 0.01%.

Note that in line with the enhanced resilience of Belfius in the EBA stress test published in July 2021, the Pillar 2 Guidance (P2G) decreased from 1% to 0.75% on the CET1 ratio. As a result, Belfius has to comply with a minimum CET1 ratio of 10.723% for 2022 (to compare with 10.635% in 2021, based on a P2G buffer of 1% back then).

The consolidated CET 1 ratio of Belfius at the end of June 2022 stood at 16.67%, well above the 2022 applicable CET 1 capital requirement of 9.973%.

Further to these regulatory requirements, Belfius stated in its Risk Appetite Framework that, in normal market circumstances and under stable regulations, it would strive to respect a minimum operational CET 1 ratio of 13.5%, on solo and consolidated levels – a policy defined before the COVID-19 pandemic. Even during the Covid-19 pandemic, Belfius continued its support of the Belgian economy, in line with the request of the regulators. As a result, a temporary exemption was validated by the Board of Directors in 1H 2020, to reduce the minimum operational CET 1 ratio to a zone of 12.5% - 13.5%.

The reduction in the CET 1 ratio should exclusively cover any credit risk deterioration and loss provisioning, if needed, in order to keep on supporting the Belgian economy. Seeing the recovery of the Belgian economy and lower effective defaults than anticipated at the start of the COVID-19 crisis, at end 2021 – early 2022, Belfius has put its capital framework back at the levels that were applicable before the start of the COVID-19 crisis, back to the minimum operational level of 13.5% CET 1 ratio (i.e. no more temporary relaxation of this level to a minimum operational zone of 12.5% to 13.5% CET 1 ratio, as was decided at the start of the COVID-19 crisis). Belfius is of course continuously monitoring the macro-economic situation in order to assess duly and diligently this capital policy.

11.5 Activities

Analytically, Belfius splits its activities and accounts in three segments: Individuals (IND) and Entrepreneurs, Enterprises and Public entities (E&E&P) and Group Center.

- **Individuals (IND)**, managing the commercial relationships with individual customers both at bank and insurance level. Within the Individuals segment, we distinguish 4 subsegments: Savers, Investors, Private and Wealth.
- **Entrepreneurs, Enterprises and Public entities (E&E&P)**, managing the commercial relationships with public and social sector, business and corporate clients both at bank and insurance level.
- **Group Center (GC)**, containing the residual results not allocated to the two commercial segments. This mainly consists of results from central ALM (interest rate and liquidity) and Bond and Derivative portfolio management.

11.5.1 Individuals (IND)

11.5.1.1 Results in 1H 2022

At 30 June 2022, total savings and investments amounted to EUR 115.7 billion, a decrease of -2.3% compared with the end of 2021. The organic growth in 2022 amounted to EUR 3.4 billion, stemming mainly from the large increase in Non Maturing Deposits (savings and payment accounts) and by good inflows in Asset Management (Mutual Funds, My Portfolio & Mandates).

Non Maturing Deposits totalled EUR 64.4 billion at 30 June 2022, up +4.3% from the end of 2021. The payment and savings accounts outstanding reached EUR 14.4 billion (+7.6%) and EUR 50.1 billion (+3.4%) respectively at the end of June 2022.

Asset Management, Bonds and Equity investments (including Branch 23) decreased strongly by -9.3% compared to the end of 2021, to EUR 44.9 billion. Especially the volumes of Asset Management Services are falling with a

decrease of -10.0% in 2022. This strong decrease stems from the strong decrease of equity markets and rapid increase of interest rates since the start of the year while organic growth remains positive, specially in our Funds of the Future.

Other Savings and Investments, including mainly Insurance capital guaranteed products amounted to EUR 6.3 billion, down -10.7% compared to the end of 2021. Investments in Branch 21 life insurance guaranteed products continue to decrease in the still historically speaking low interest rate environment.

Total loans to customers rose strongly (+4.8%) to EUR 47.3 billion at 30 June 2022. The increase stems from mortgage loans (+4.7%). Mortgage loans, which account for 91% of all loans to Individuals, amounted to EUR 42.8 billion at 30 June 2022, while consumer loans and other loans to Individuals stood at EUR 1.7 billion and EUR 2.8 billion respectively.

New long-term loans granted to Individual clients during 1H 2022 amounted to EUR 5.1 billion compared to EUR 4.3 billion in 1H 2021. The new production of mortgage loans has been very strong in 1H 2022 and amounted to EUR 4.5 billion. During the same period, EUR 0.4 billion in consumer loans and EUR 0.2 billion in new long-term professional loans were granted.

The total insurance production from customers in the Individuals segment amounted to EUR 1,389 million in 1H 2022, compared with EUR 1,127 million in 1H 2021, an increase of +23.2%.

Life insurance production stood at EUR 1,074 million in 1H 2022[(1)], up +29.7% compared to 1H 2021[(2)]. Unit-linked (Branch 23) production went up (+36.3%) thanks to higher production on our key Br23 product Kite. Traditional Life (Branch 21/26) production increased (+6.6%).

[(1)] Of which EUR 345 million Gross Written Premiums and EUR 730 million TCA. TCA in life insurance products relates to transfers (Transfers from Br21 to another contract), Conversions (transfers between funds of Br23 contracts) and Arbitrages (transfers between Br 21 and Br23 towards Br 44 and between two Br23 contracts).

[(2)] Of which EUR 386 million Gross Written Premiums and EUR 443 million Transfers/Conversion/Arbitrage.

Non-Life insurance production in 1H 2022 stood at EUR 314 million, up +5.3% compared to 1H 2021 thanks to all distribution channels. The Bank distribution channel continued its solid growth (EUR 137 million, +7.0% compared to 1H 2021). The premium collection by DVV amounted to EUR 141 million, (+3.0% compared to 1H 2021) and by Corona, Belfius' direct insurer, to nearly EUR 37 million, up +8.8% compared to 1H 2021.

The mortgage loan cross-sell ratio for credit balance insurance slightly increased to 129% (measured as capital insured/mortgage amount) at the end of 1H 2022. The mortgage loan cross-sell ratio for property insurance slightly decreased to 87%.

Total insurance reserves, in the Individuals segment, amounted to EUR 11.2 billion. Life insurance reserves decreased (-3.8%) since end 2021 to EUR 10.2 billion at 1H 2022.Traditional capital guaranteed life reserves (Life Branch 21/26) further decreased by -3.4%. Unit-linked reserves (Branch 23) decreased by -4.3% suffering from negative impact (EUR -0.5 billion) from the decreasing financial markets. Non-life reserves stabilized at EUR 1 billion.

Individuals net income after tax increased by +0.7% from EUR 227 million in 1H 2021 to EUR 229 million in 1H 2022.

11.5.2 Entrepreneurs, Enterprises & Public (E&E&P)

11.5.2.1 Results in 1H 2022

As of 30 June 2022, total savings and investments amounted to EUR 61.2 billion, equal to the volume of end 2021. While the Non Maturing Deposits (savings and payment accounts) increased by EUR 1.0 billion (+2.5%) to EUR 41.4 billion, the Asset Management, Bonds and Equity investments (including Branch 23) volume decreased by EUR 1.4 billion (-11.0%) to EUR 10.9 billion due to negative market effect despite positive organic growth.

Total outstanding loans increased to EUR 59.9 billion (+5.1% vs end 2021). Outstanding loans to Business customers have grown by EUR 0.4 billion (+2.8%). Outstanding loans Corporate have grown by EUR 2.5 billion (+12.9%). In Public & Social Banking, the outstanding loans have stabilized vs 2021.

In 1H 2022, Belfius granted EUR 7.3 billion (+16.1% vs 1H 2021) in new long-term loans in the Belgian economy to Business, Corporate and Public and Social sector clients.

EUR 2.0 billion in new long-term to Business clients were granted while the produc-tion of long-term loans for Corporate customers amounted to EUR 4.0 billion (+45.3%). Befius' market share in terms of Corporate loans is confirmed at 18.5% (figure per end 2021).

In 1H 2022, Belfius granted EUR 1.3 billion (+18.0% vs 1H 2021) of new long-term financing to the public sector. Belfius remains the undisputed leader in this market and responds to every financing tender from public bodies, at Belfius financing conditions. Belfius manages the cash flow of virtually all local authorities and was awarded 56% (in volumes) of the public sector financing files put out to tender in 2022.

Belfius also continued to strengthen its leading position in the Debt Capital Markets (DCM) for (semi-) public and private companies. In 1H 2022, the Bank issued EUR 6.6 billion in innovative financing instruments in the form of short-term issues (average outstanding amount on commercial paper) and long-term issues (Medium Term Notes and bonds).

The E&E&P segment's commercial results in insurance increased in terms of underwriting volumes, in particular for:

- Non-Life Gross Written Premium E&E&P: small increase compared to 1H 2021 (+0.7%) to EUR 108 million thanks to the growth in the Business segment of both Bancassurance and DVV compensating for a decrease in the Wholesale segment due to the continued implementation of the run-off strategy in Wholesale Brokers and Wholesale Bancassurance;
- Production of E&E&P Life showed a small decrease compared to 1H 2021 (-2.0%) to EUR 186 million, mainly due to the termination of an important segregated fund almost fully compensated by higher production in first and second pillars.

Net income after tax amounted to EUR 253 million in 1H 2022.

11.5.3 Group Center (GC)

Group Center operates through two sub-segments:

- Run-off portfolios, inherited from the Dexia era, which mainly comprise:
    - a portfolio of bonds issued by international issuers, particularly active in the public and regulated utilities sector (which includes UK inflation-linked bonds) and ABS/RMBS, the so-called ALM Yield bond portfolio;
    - a portfolio of credit guarantees, comprising credit default swaps and financial guarantees written on underlying bonds issued by international issuers, and partially hedged by Belfius with monoline insurers (mostly Assured Guaranty); and
    - a portfolio of derivatives with Dexia entities as counterparty and with other foreign counterparties.
- ALM liquidity and rate management and other Group Center activities, composed of liquidity and rate management of Belfius (including its ALM Liquidity bond portfolio, derivatives used for ALM

management and the management of central assets) and other activities not allocated to commercial activities, such as financial market support services (e.g. Treasury), the management of two former specific loan files inherited from the Dexia era (loans to *Gemeentelijke Holding/Holding Communal* and Arco entities), and the Group Center of Belfius Insurance.

These portfolios and activities are further described below.

11.5.3.1 Bond Portfolio

ALM Liquidity bond portfolio

The ALM Liquidity bond portfolio is part of Belfius Bank's total LCR liquidity buffer and is well diversified with high credit and liquidity quality.

At the end of 1H 2022, the ALM Liquidity bond portfolio stood at EUR 6.9 billion(1), up EUR 0.1 billion, or 1%, compared with December 2021. At the end of 1H 2022, the portfolio was composed of sovereign and public sector bonds (64%), covered bonds (29%), corporate bonds (7%) and asset-backed securities (<1%). Belgian and Italian government bonds in the ALM Liquidity bond portfolio both amounted to EUR 1.5 billion(1) and EUR 0.9 billion(1) respectively.

At the end of 1H 2022, the ALM Liquidity bond portfolio had an average life of 7.9 years, and an average rating of A- (100% of the portfolio being investment grade) compared with A- at year-end 2021.

(1) Nominal amount.

ALM Yield bond portfolio

The ALM Yield bond portfolio of Belfius Bank was used to manage excess liquidity (after optimal commercial use in the business lines) and consisted mainly of high-quality bonds from international issuers.

At the end of 1H 2022, the ALM Yield bond portfolio stood at EUR 3.3 billion(1), down 5%, compared with December 2021, and was composed of corporates (76%), sovereign and public sector (12%), asset-backed securities (8%), and financial institutions (4%). Almost 85% of corporate bonds, composed mainly of long-term inflation-linked bonds, are issued by highly regulated UK hospitals, infrastructure companies and utilities such as water and gas distribution companies. These bonds are of satisfactory credit quality and the majority of these bonds are covered by credit protection from a credit insurer (monoline insurer) that is independent from the bond issuer.

At the end of 1H 2022, the ALM Yield bond portfolio had an average life of 19.0 years. The average rating of the ALM Yield bond portfolio stood at A-. 96% of the portfolio was investment grade.

(1) Nominal amount.

11.5.3.2 Derivatives portfolio

Derivatives with Dexia entities and foreign counterparties

During the period it was part of the Dexia Group, the former Dexia Bank Belgium SA/NV ("**Dexia Bank Belgium**") (now Belfius Bank) was Dexia Group's "competence centre" for derivatives (mainly interest rate swaps): this meant that all Dexia entities were able to cover their market risks with derivatives with Dexia Bank Belgium, mainly under standard contractual terms related to cash collateral. The former Dexia Bank Belgium systematically re-hedged these derivative positions externally, as a result of which these derivatives broadly appear twice in Belfius' accounts: once in relation to Dexia entities and once for hedging.

The total outstanding notional amount of derivatives with Dexia entities and interest rate derivatives with international counterparties amounted to EUR 8.7 billion(1) at the end of 1H 2022, down EUR 0.7 billion, or -8%, compared with EUR 9.4 billion at the end of December 2021.

Derivatives with Dexia entities decreased by 9% (or EUR -0.6 billion) to EUR 6.6 billion at the end of 1H 2022. This decrease is due mainly to amortisations. Derivatives with international counterparties decreased by EUR 0.1 billion (or -5%) to EUR 2.0 billion at the end of 1H 2022.

The fair value of Dexia and international counterparty derivatives amounted to EUR 1.2 billion at the end of 1H 2022. After collateralisation, the Exposure At Default ("**EAD**") amounted to EUR 0.9 billion.

At the end of 1H 2022, the average rating of the total portfolio stood at BBB and the average residual life of the portfolio stood at 11.5 years(2).

(1) Nominal amount.

(2) Calculated on EAD.

Credit guarantees

At the end of 1H 2022, the credit guarantees portfolio amounted to EUR 2.0 billion(1), down EUR 0.5 billion or -18% compared with December 2021. It relates essentially to Financial Guarantees, and Credit Default Swaps issued on corporate/public issuer bonds (97%) and ABS (3%). The good credit quality of the underlying reference bond portfolio, additional protection against credit risk incor-porated in the bond itself and the protections purchased by Belfius, mainly from various monoline insurers (US re-insurance companies, essentially Assured Guaranty) resulted in a portfolio that is 96% investment grade in terms of credit risk profile.

At the end of 1H 2022, the average rating of the portfolio stood at A- (compared with BBB+ at year end 2021). The average residual life of the portfolio stood at 12.2 years.

(1) Nominal amount.

11.5.3.3 Other Group Center activities

Other activities allocated to Group Center include:

(a) the interest rate and liquidity transformation activity performed within ALM, after internal transfer pricing with commercial business lines, including the use of derivatives for global ALM management;

(b) the management of two legacy loan files inherited from the Dexia era, i.e. the investment loans to two groups in liquidation, namely Gemeentelijke Holding/Holding Communal and some Arco entities;

(c) the flow management, including hedge management, of internal and external interest rate derivative flows given that Group Center is the Belfius Competence Centre for interest rate derivatives;

(d) treasury activities (money market activities); and

(e) the results including revenue and costs on assets and liabilities not allocated to a specific business line.

The Group Center of Belfius Insurance is also fully allocated to these other Group Center activities. The Belfius Insurance Group Center contains income from assets not allocated to a specific business line, the cost of Belfius Insurance's subordinated debt, the results of certain of its subsidiaries and costs that are not allocated to a specific business line.

GC net income after tax stood at EUR -52 million in 1H 2022, compared to EUR -84 million in 1H 2021.

11.6 Non-adjusting post-balance sheet events

Extension credit protection contracts on certain utility and infrastructure bonds

In order to keep the Total Risk Exposure Amount and hence credit risk on certain utility and infrastructure bonds (part of Belfius Run-Off ALM Yield Portfolio) within Belfius risk appetite limits, Belfius hedges part of the loss at default exposure thereof with dedicated credit protections. New protection contracts, extending the formerly existing credit protection mechanisms to final maturity date of the relevant underlying bonds, have been finalized in July 2022. As these protections are designed to lower the potential loss at default on the relevant underlying bonds during full life-time of those underlying bonds, in Q3 2022 Belfius will have to reassess its 1H 2022 stock of "impairments on financial instruments and provisions for credit commitments" relative to the relevant underlying bonds. If those new protection contracts would have been finalized before the end of June 2022, this would have resulted in a lower full life-time Total Risk Exposure Amount on these exposures and a positive contribution to cost of risk 1H 2022 of EUR +48 million. The effective cost of risk impact in Q3 2022 and FY 2022 accounts will depend, amongst others, on the evolution of the rating of the issuer of the credit protection as well as on the further evolution of the parameters that drive the amount of the impairment on a global basis.

11.7 Risk Management

11.7.1 Fundamentals of credit risk in 1H 2022

At the start of 2022, the macro-economic perspectives improved in view of a faster post-pandemic recovery.

The global economy however faced some new headwinds due to second round Covid-19 effects and geopolitical & military tensions. A strong rebound in demand affected the supply chains of investment and consumer goods. On international energy markets, the tensions between demand and supply led to huge price increases. The latter negatively affecting the growth outlook, not just through rising costs for companies, but also via their impact on household purchasing power.

The Russian invasion of Ukraine in February impacted the overall economic situation profoundly, led to new disruptions in supply chains and pushed up even more energy, especially natural gas, and commodity prices. Imposed sanctions further re-enforced supply chain disruptions. These new deteriorations not only weighed on activity growth but mainly fueled upward price pressure in an already high-inflation environment and resulted in multi-decade records in inflation rates. The inflationary impacts are being passed on to final prices for goods and services. Increasing inflation diminishes consumers' purchasing power as the indexation mechanisms have a certain lag and do not offer immediate complete protection against rising prices. Under the inflationary pressure, central banks had to start adapting their monetary policy, gradually ending the quantitative easing and starting to raise interest rates for the first time in a decade.

As a consequence, the economic recovery slowed down since February 2022, with economic expectations under pressure. The geopolitical situation remained very fragile at the end of H1 2022. The further developments in the Russia/Ukraine conflict are highly uncertain and could have a substantial impact on the outlook for the European economy. Also the political situation within Europe has to be monitored e.g. the unstable situation in Italy. Furthermore, the stringent COVID-19 containment measures have recently been relaxed in China, but some new variations of COVID-19 start circulating.

There are some tentative indications that supply chain problems are no longer worsening and price levels for some commodities are recently stabilizing. All in all, we are in an uncertain macro-economic and financial context.

In order to factor the COVID-19 impacts into the credit risk measurement process and the cost of risk calculation, Belfius applied in 2020 a 4-pillar approach, in which the pillars 1-2-3 formed an Overlay to cover for increased risk due to potential Covid-19 impacts. In the multi-dimensional uncertain economic and financial context faced in 1H 2022, Belfius determined the cost of risk approach still in line with this 4 pillars model:

- Pillar 1 reflects the macroeconomic conditions and perspectives. In Q1 and Q2 2022, the economic scenarios have been adjusted, in light of the encumbered economic expectations. It is clear that the evolution of pillar 1 credit provisions encompasses multiple economic trends and events, that reach beyond

the 2020 initiated COVID-19 pandemic. Overall, this led to an increase of this pillar from EUR -56 million to EUR -63 million, resulting in a 1H 2022 cost of risk of EUR -7 million;

- Pillars 2 and 3 are designed to cover for risk evolutions linked to specific risk pockets (mainly in terms of economic sectors and industries) and to individual counterparty risk level. In line with the approach in the COVID-19 context, Belfius assessed its full loan portfolio in light of the:
    - COVID-19 pandemic recovery: exposures for which the formerly anticipated increased credit risk has disappeared, have been removed from the scope of these Overlays. Exposures for which a residual credit risk linked to COVID-19 is still present, and that are now also potentially and anticipatively hit by other than COVID-19 economic turmoil events, continue to be subject to the scope of these Overlays, although at lower ECL levels;
    - New economic evolutions and impacts: exposures that show a new potential increased credit risk linked to second round COVID-19 economic turmoil events related to the energy and inflation costs and the Russia/Ukraine conflict are added to the scope of these expert Overlays.

  These adjustments of pillars 2 and 3 led to a net provision release of EUR +63 million.

  The aggregate of pillar 1, 2 and 3 is referred to as the Overlay.
- Pillar 4 contains impairments for counterparts in default (stage 3). Belfius continues to apply its standard impairment process for non-performing exposures. Pillar 4 represents a 1H 2022 cost of risk of EUR -30 million.

Combined with the standard portfolio effects (growing loan portfolio, portfolio shifts in and out…) for an amount of -13 million, the 4 pillar approach leads to a positive cost of risk of EUR 13 million in the first half year of 2022, reflecting the economic and societal recovery from the Covid-19 era, but also, keeping consideration for the future uncertainties about the orientation, resilience and rhythm of this economic recovery.

Following the adjustments in 1H 2022, the Overlay, that is constituted by the pillars 1, 2 and 3, has been reduced by EUR 56 million.

The indirect impacts from the Russia/Ukraine crisis remain so far limited for the segment of Enterprises and Entrepreneurs within the Belfius loan portfolio as trade flows and/or local presence only represent a fraction of their activity.

The vulnerability of Enterprises and Entrepreneurs towards rising costs for raw materials, salaries and energy as well as the commodity scarcity has been subject to monitoring at different levels over the last months and will remain an area of attention in the coming months.

Spiking inflation and depressing consumption more broadly, remains a point of attention and monitoring, especially for the Individuals for which energy constitutes a higher-than-average share of their available income.

The assessments of the Belfius loan portfolios did not reveal material critical risk observations so far, the portfolio continued to show a strong resilience with only few signs of deteriorating credit quality, stable credit ratings and limited inflows of defaults and bankruptcies.

11.7.1.1 1. New challenges for the economy have emerged in 2022

The COVID-19 pandemic had been temporally contained, as shown by the positive evolution of the number of contaminations, hospital admissions, intensive care interventions over the last months. Nevertheless, vigilance for the occurrence of new COVID-19 variants, and a return to a certain level of protective measures in the future, is still required.

After several years of geopolitical tension between Ukraine and Russia, the conflict evolved into a Russian invasion and a large-scale war on the Ukrainian territory. This evolution has created a massive uncertainty in the worldwide

political and economic environment, with immediate effects on financial markets, interest, exchange rates and price increases. Economic activity was further hampered by different economic sanctions. Especially for the European market, the impact on commodities, food and energy prices is very significant.

Although the long-term political and financial outcome of these events cannot be fully evaluated, they have amplified the second-round effects of the COVID-19 pandemic on the sustainability of the economic recovery: disruptions of the supply chains causing shortages and production delays, scarcity of resources, raw materials and labour capacity are putting pressure on the activity level in several industries. Increasing prices of intermediate products and materials, and booming energy prices have led to a peaking inflation, that translated in Belgium into wage inflation, due to the automatic indexation mechanisms. In this context, the competitive positioning of Belgian companies could suffer, certainly in the short run.

Retail (Mortgages, Consumer Credits)

In the first half year, Belfius focused on monitoring the impact of the rising energy costs within the Mortgage loan portfolio, by analysing transactional client data combined with the monitoring of specific early warnings (energy cost to available income, evolution of net available income) and with the classic early warning indicators (such as use of credit lines & credit cards, appearance of short-term arrears, etc.).

For the time being, none of the credit risk indicators show a significant deteriorating trend, albeit some indicators are starting to evolve towards pre-COVID-19 levels: during the COVID-19 period, credit risk indicators showed a positive evolution due to the governmental support measures, combined with the societal role the banking sector has played throughout the pandemic and with the impact of the lockdowns on the consumer spending pattern.

To face the effects of inflation, governments installed mitigating measures by the extension of the application scope of the social energy rates, a temporary VAT-reduction (from 21% to 6%), a one-off energy premium and a reduction of excises on petrol. These measures will temper the short-term impact on consumers but in case energy prices remain high and for energy contracts maturing from Q3 onwards, the impact may increase again.

Overall, the risk drivers, underlying the 2022 credit risk monitoring and cost of risk, have evolved from the impact of a (temporary) income loss due to COVID-19 conditions towards a higher expenditure on energy, consumption and investments, that is only partially, and with some time lag, mitigated through wage indexation.

Entrepreneurs & Enterprises

A thorough screening of clients directly or indirectly impacted by the Ukraine/Russia conflict has been conducted. Belfius screened potentially affected clients and a.o. analysed the historic client transaction flows with Russia, Ukraine and Belarus. In general, trade flows of Belgian Enterprises with these countries are at a very low level and only represent a fraction of turnover in line with the overall Belgian import and export figures. The exercise on the Belfius portfolio also revealed a limited impact: the companies active in these countries, present a sales figure or import level below 5% of their activities.

In the context of the energy price increases and the inflation peak, Belfius has set-up a transversal top-down screening of the entire Entrepreneurs and Enterprises portfolio in order to detect proactively highly impacted counterparts and to assess the potential impacts. A close monitoring is performed of the clients with a higher-than-average ratio energy cost/turnover in combination with the appearance of early warnings. In a bottom-up approach, specific focus on energy and labour cost evolution is put by the credit analysts in case of credit requests and periodic credit reviews, with special attention for the ability to absorb price increases.

Where COVID-19 impacted a specific series of sectors especially affected by the mandatory closure or social-distancing measures (hotel, restaurants, cafés, travel, event, retail stores, etc.) an other range of economic sectors represent a higher risk sensitivity, such as manufacturing, the building industry and the transport sector… These sectors experience more outspoken the financial burden of higher energy costs, rising commodity prices and other

inflationary effects. In the same sectors a limited number of clients were detected with a direct or indirect impact, for a rather modest part of their activities, by the Russia/Ukraine war.

Notwithstanding these elements, it is to be observed that the inflow of new defaults remains at a relatively low level: although the number of bankruptcies in the Belgian market and the Belfius portfolio is rising compared to 2020 and 2021 - years that have benefitted from the public and private support measures - the level remains below the pre-COVID-19 levels.

Public & Social Banking

For the Public and Social Banking clients, the capacity to absorb the inflationary and increased energy cost has been assessed through a macro-economic approach for the different segments in which Belfius is active: hospitals, rest homes, education, intermunicipal companies, etc. Most of these entities have indexation mechanisms in place on a substantial part of their income. Although an important timing gap between the price increase (if applicable) and the adjustment - through indexation - can exist. Whereas for rest homes an important part of the increase is to be supported by their residents.

Compared to previous COVID-19 years, local authorities will have to deal with an even greater financial impact in 2022. High inflation figures cause wage costs to rise sharply, energy bills weigh more heavily and the prices of building materials prices are increasing sharply. In the current context, the financial shock will mainly be felt in 2022, as the impact on tax revenues will follow with a delay. Finally, the financial situation of the Regions has also deteriorated in recent years. Increasing inflation and interest rates, slowing down of economic growth could further put pressure on deficit levels and public debt, which are closely further monitored.

Insurance

The management of the credit risk of Belfius Insurance is the responsibility of Belfius Insurance risk management team, albeit in collaboration with the credit risk teams of Belfius Bank and aligned with the risk management guidelines that are applicable for the whole Belfius group. As such, this implies that credit limits are defined on a consolidated basis and that transfers of limits between Belfius Bank and Belfius Insurance are permitted, on the condition that both parties agree. The CROs of Belfius Bank and Belfius Insurance coordinate the requests among each other.

11.7.2 Exposure to credit risk

Breakdown of credit risk by counterparty:

	31 December 2021	30 June 2022
(FEAD, in EUR billion)		
Central governments	42.4	55.8
Public sector entities	42.2	42.2
Corporate	47.9	48.6
Project finance	3.0	2.6
Retail	58.2	60.6
Financial institutions	13.7	13.5
Other[(1)]	6.3	4.7
Total	**213.8**	**228.0**

(1) Other include, among others, deferred tax assets, tangible and intangible assets and gains and losses on the hedged item in portfolio hedge of interest rate risk.

The definition of Full Exposure at Default ("**FEAD**") is determined as follows:

- for balance sheet assets (except for derivatives): the gross carrying amounts (before credit risk adjustments);
- for derivatives: the exposure at default calculated under the standardised approach for counterparty credit risk (SA-CCR);
- for Securities Financing Transactions: the carrying amount as well as the excess collateral provided for repurchase agreements;
- for off-balance sheet commitments: either the undrawn part of credit facilities or the maximum commitment of Belfius for guarantees granted to third parties.

FEAD for instance provides a consistent metric to present a combined view of the Bank and Insurance respective exposures to credit risk.

The figures in the table above are after elimination of intra-group exposures but with inclusion of credit exposure of trading activities and counterparty credit risk.

Exposures are allocated to the final counterparty. This means that if substitution is applied to a certain exposure to a borrower guaranteed by another party, the exposure is shifted to the region, type of exposure and rating of the guaranteeing party.

As of 30 June 2022, the total credit risk exposure within Belfius reached EUR 228.0 billion, an increase of EUR 14.1 billion or 6.6 % compared to the end of 2021, primarily stemming from FEAD increase to EU Central Bank.

At bank level the credit risk exposure increased with 7.8% to EUR 212.7 billion. At the level of Belfius Insurance, the credit risk exposure declined by 7.6% to EUR 15.3 billion on 30 June 2022.

The increase by EUR 13.4 billion observed on the segment central governments is mostly due to the additional liquidity reserve taken up by Belfius and deposited at the NBB/ECB. Nearly half (46%) of the government bonds portfolio is invested in Belgian government bonds at the Group level. While at bank level the Belgian government bonds represents 42% of the total government bond portfolio, the relative proportion at Belfius Insurance stands at 49%.

The credit risk exposure on individuals, self-employed and SMEs (27% of the total) increased by EUR 2.4 billion reflecting Belfius' strategy to support the Belgian economy.

The credit risk exposure on corporates (21% of the total) increased by EUR 0.6 billion where the growth on franchise activities (EUR 2.7 billion) was partially offset by the decline in exposure to UK utilities bonds and further de-risking on ex-legacy portfolios.

The credit risk exposure on public sector entities and institutions that receive guarantees of these public sector entities remained stable over the period.

The credit risk exposure on financial institutions declined by EUR 0.2 billion during the first half of 2022.

Belfius' positions are mainly concentrated in the European Union: 94% or EUR 200.4 billion at bank level and 97% or EUR 14.8 billion for Belfius Insurance. The total relative credit risk exposure on counterparties situated in Belgium is 67%, 3% in the United Kingdom and in France, 1.1% in the United States and Canada, 0.9% in Luxemburg, 0.8% in Germany, 0.7% in Italy and Spain.

The credit risk exposure to counterparties in the United Kingdom amounted to EUR 6.1 billion. About 60% of this credit risk exposure relates to bonds belonging to the ALM-yield portfolio.

On 30 June 2022, 80% of the total credit risk exposure had an internal credit rating of investment grade (IG).

11.7.3 Cost of risk in 1H 2022

11.7.3.1 IFRS 9 impairment methodology at Belfius

Reference is made to Belfius' Risk Report 2019 for a full description of the Belfius process to compute IFRS 9 expected credit losses (ECL). The basic principles of the process to compute IFRS 9 expected credit losses (ECL) are as follows:

- Belfius Bank and its subsidiaries recognize loss allowances for ECL on financial instruments at amortized cost or at fair value through OCI;
- ECL are measured through a loss allowance that depends on the financial instrument's status:
    - for performing exposures (i.e. instruments that have not incurred a significant increase in credit risk since origination), referred to as stage 1, a 12-month ECL is computed;
    - for underperforming exposures (i.e. instruments that have incurred a significant increase in credit risk since origination), referred to as stage 2, Lifetime ECL are computed;
    - non-performing exposures (i.e. exposures that become credit-impaired), are classified in stage 3 and the ECL reflect the remaining exposure after a best-estimate of future recoveries;
- ECL are probability-weighted estimates of credit losses. This is expressed as the present value of cash shortfalls i.e. the difference between the cash flows that are due to the entity in accordance with the contract and the cash flows that the entity expects to receive;
- ECL calculations use probability of default (PD) and loss given default (LGD) parameters. Point-in-time PD's are used that inter alia incorporate forward-looking macroeconomic information through the use of four different macro-economic scenarios. These scenarios are built upon internal information made available by the Belfius Research Department, who uses external and internal information to generate a forward-looking "neutral" scenario of relevant economic variables along with a representative range of

other possible scenarios. The external information includes economic data and forecasts published by governmental bodies and monetary authorities;

- Belfius assigns probabilities to the four forecast scenarios (neutral, optimistic, pessimistic and stress) and makes the link between the following:
    - macro-economic variables; and
    - credit risk and credit losses through identified and documented relationships between key drivers of credit risk and credit losses for each portfolio of financial instruments on the one hand and statistical analysis of historical data on the other hand;
- Given that ECL estimates are complex and to a certain extent judgmental, the afore-mentioned mechanical approach is completed by management judgment through "management call" layers. These layers can be positive or negative and aim to include any elements entering in the ECL computation which have not been taken into account by the mechanical computation on an individual level or a (sub)portfolio level.

11.7.3.2 Adjustments to the impairment methodology: further insights related to COVID-19 and the emerging risks related to energy and inflation and the Russia/Ukraine conflict

In the context of COVID-19, Belfius' basic principles for ECL computations have remained fundamentally unchanged, however some adjustments to the aforementioned approach were required in order to maintain an adequate coverage for potential risks. In 2022, these adjustments remain in place and they integrate the COVID-19 risks (including potential resurgence, like in China), the risks related to the increased inflation, rising energy prices and the war in Ukraine:

- expected credit loss calculations are based on a long-term average (2009-2023) for the relevant macroeconomic factors, with a backward and a forward-looking part. In 2022, a further shift of the calculations weights to 2022-23 was applied;
- to calculate ECL, Belfius still defines four probability weighted forward-looking scenarios each with their own macroeconomic parameters to build optimistic, neutral, pessimistic and stress cases. The scenarios have been adapted to the prevailing circumstances;
- the results of the portfolio analysis and monitoring processes gained importance: in order to account for the heterogenous nature of COVID-19 and recently to integrate the risks related to the increased inflation, rising energy prices and the war in Ukraine.

11.7.3.3 Drivers of the cost of risk in 1H 2022

Since the start of COVID-19, the cost of risk is built according to a waterfall principle:

- the provisions for stage 1 and 2 are calculated in a mechanical mode, based on a view on the macro-economic conditions (past and future) (pillar 1);
- if Belfius considers that certain risk pockets, defined in terms of sectors or groups of companies, are not sufficiently covered by the mechanical provisions, certain expert Overlays are added (pillar 2), both in stage 1 and 2;
- in addition, expert analysis may point to counterparts with a potentially increased credit risk (counterparts that were not detected by the mechanical approach and not yet classified "as unlikely to pay"), for which the provisions constituted may be insufficient. For these cases, an individual management adjustment on the expected credit loss in stage 2 is added (pillar 3);
- for counterparties in a default status (stage 3), the normal impairment process is carried out and specific provisions are calculated and booked accordingly (pillar 4). Provision levels are based on an individual assessment of exposure and collateral.

The positive cost of risk 1H 2022 of EUR 13 million is composed of a reversal of ECL in stages 1 and 2 for a net amount of EUR 43 million and a net add-on of provisions for defaulted loans of EUR 30 million in stage 3.

Pillar 1: macroeconomic factors used in 1H 2022

- Where in the beginning of 2022 the macroeconomic perspectives had significantly improved in view of the favorable evolution of the COVID-19 pandemic, economic conditions at micro and macro level meanwhile encumbered, reinforced by the Russian/Ukrainian conflict and the subsequent high inflation, purchasing power and investment spending were put on pressure during the first half year. GDP-expectations were accordingly adjusted downwards. Belfius' neutral scenario includes a Belgian GDP growth of 2.2% for 2022, followed by a 1.6% growth rate in 2023. Under this neutral scenario tension on the energy markets are expected to continue remains expected in 2022 and 2023.
- Inflation levels have been on a rollercoaster since the end of 2021, not only driven by energy inflation, but also by inflation on a wide range of goods. Inflation is currently expected to remain high in 2022. The neutral scenario implies a year-on-year CPI increase by 8% for 2022, dropping to 2.3% in 2023.
- In terms of unemployment, the neutral scenario implies a stability of the Belgian unemployment rate for 2022 and 2023 at the level observed in 2021 i.e. 7.9%. The unemployment figures include the exceptional temporary unemployment observed that is expected to be, to a certain extent, converted into structural unemployment. When abstraction is made of this inclusion a limited recovery to 5.9% for 2022 and 6.1% for 2023 is forecasted.
- The neutral case is complemented with an optimistic, a pessimistic and a stress scenario. The table above illustrates the Belgian GDP growth assumptions, as of 2Q 2022, under the four scenarios.

GDP BE (% YoY)

Scenarios	As of end 2021		As of 2Q 2022	
For year	2021	2022	2022	2023
Optimistic	6.5	4.0	3.0	1.8
Neutral	5.9	3.2	2.2	1.6
Pessimistic	4.2	1.3	1.2	1.2
Stress	2.0	1.4	(0.1)	(2.7)

- A 55% weight has been assigned to the neutral scenario. The weights have been modified at the end of 2021, with the weight of the more negative scenarios decreased due to the observed recovery. Weights have been unchanged in the last half year.
- These adjustments of the macroeconomic factors, led to an increase of provision of EUR 7 million.

Sensitivity of the impairment stock stage 1 & 2 to changes in scenario weights

The table below provides an overview of the stage 1 & 2 impairments sensitivity to the weight of macroeconomic scenarios. The most relevant macroeconomic factors are GDP and Unemployment. Note that sensitivity is not linear, cannot simply be extrapolated and these sensitivities assume that the current IFRS 9 method applied for ECL calculations is maintained.

(In millions of EUR)	What if 85% optimistic[1]	Weighted average scenario 2Q22	What if 85% pessimistic[1]	What if 85% stress[1]
Impairment stock stage 1&2	747	850	925	1.062
% change vs weighted average scenario	-12%	0%	9%	25%
		Optimistic 10% Neutral 55% Pessimistic 30% Stress 5%		

(1) 5% on each of the 3 other scenarios.

Pillar 2 and 3: Overlays to cover for certain risk pockets

The pillar 1 mechanical calculations are completed with expert Overlays. These Overlays are designed to result, overall, in best estimate total coverage of ECL in some specifically identified risk pockets of vulnerable exposures (defined in terms of sectors, groups of companies or individual exposures) when the credit risk is estimated (potentially) insufficiently covered by the mechanical provisions.

Concretely, one or more IFRS 9 parameters have been stressed when computing the ECL. For mortgages a stressed LGD value has been applied, while for vulnerable companies an add-on has been applied on the mechanically computed expected credit loss, reflecting the specific features of the risk pocket.

This approach feeds the formal quarterly impairment process and results into shifts of individual files or risk pockets from stage 1 to 2 and into the application of the Expected Credit Loss levels that are deemed adequate to cover the increased credit risk.

During 1H 2022 and in line with evolving risks, Belfius thoroughly reviewed and rebalanced these Overlays by integrating the emerging risks related to energy and inflation and the Russia/Ukraine conflict, while reducing the importance of the COVID-19 adjustments:

- the exposures on customers not presenting further increased risks due to COVID-19 have been removed;
- the exposures representing a residual impact linked to the COVID-19 pandemic and that are additionally hit by the new crisis effects are maintained;
- the exposures to customers that show a potential vulnerability to the new-crisis effects are added to Overlay:
    - for the segment of Individuals (Mortgages/Consumer loans), the scope is extended to clients that are potentially vulnerable to rising energy costs. These are defined as
        - clients with a high ratio of energy costs compared to their net available income, in combination with a low savings buffer and
        - clients/loans with a high current LTV, combined with a lower net available income, a high DSTI and a low savings buffer;
    - for the segment of Entrepreneurs & Enterprises, inclusion of sectors and/or companies that are identified as potentially sensitive to rising costs of raw materials, salaries and energy (with focus on companies with a high ratio energy/total cost and high leverage) and/or clients sensitive to the Russia/Ukraine conflict (impact on activity/supply chain disruptions).

For Overlays linked to individual names identified as having a potential low resilience, a line-by-line review was performed. This analysis allowed to remove files associated with positive evolutions such as recovery of financial results, strengthened shareholder support to the company or obtaining additional collateral which reduces risks.

Overall, the re-assessment of the Overlay for vulnerable exposures induces a net release of EUR 63 million in 1H 2022, composed as an allowance of EUR 32 million for new impacted sectors and risk pockets and a reversal of EUR 95 million on COVID-19 related exposures.

Belfius' exposure towards these sectors is limited to 2.5% of the total portfolio.

11.7.4 Asset quality – Asset quality ratio

At the end of June 2022, the amount of impaired loans added up to EUR 2,018 million, rather stable (up by +0.3%) compared to year-end 2021. During the same period, the gross outstanding loans to customers increased by +4.7% and amounted to EUR 108,172 million. As a consequence, the asset quality ratio improved slightly to 1.87% at the end of June 2022. The stage 3 impairments slightly increased by +0.9%. The coverage ratio on impaired loans amounted to 60.7%, compared to 60.4% end 2021.

At the end of June 2022, the stage 1 impairments amounted to EUR 141 million (up EUR +13 million compared to December 2021), and the stage 2 impairments amounted to EUR 367 million (a EUR -55 million reduction).

11.7.5 Market risk

11.7.5.1 Overview

Overall, market risk can be understood as the potential adverse change in the value of a portfolio of financial instruments due to movements in market price levels, to changes of the instrument's liquidity, to changes in volatility levels for market prices or changes in the correlations between the levels of market prices.

The management of market risk within Belfius is focused on all Financial Markets activities of the Bank and encompasses interest rate risk, spread risk and associated credit risk/liquidity risk, foreign-exchange risk, equity risk (or price risk), inflation risk and commodity price risk.

Market risk of Belfius Insurance is separately managed by its ALCo. Belfius Insurance's strategic ALCo makes strategic decisions affecting the balance sheets of the insurance companies and their financial profitability, taking into consideration the risk appetite as pre-defined with the Belfius Bank and Insurance group (i.e. directional ALM position in interest rate risks, equity and real estate risks, volatility and correlation risks).

Although markets were very volatile in 1H 2022, with the war in Ukraine, rising interest rates, lower equity markets, higher spreads and inflation shocks, the P&L of financial market activities was very resilient. While some trading desks hit trigger limits (against important P&L losses) during 1H 2022, this was resolved by the end of 1H 2022. Existing hedges on CVA/FVA, in place since 1H 2020, perform well, keeping the P&L volatility to a minimum. These have been formalized by new limits on credit spreads, making this a structural hedge. The limit framework has also been extended to other risk factors like XVA's IR / FX volatility. Only a limited number of non-hedgeable risks remain like own funding spread, where the positive evolution of interest rates has made the XVA's less sensitive to Belfius' own funding spread.

Market risk RWA increased markedly since end 2021 (EUR +936 million) because of the impact of rising interest rates on the HVaR calculations (due to usage of returns having a partially relative behaviour).

11.7.5.2 Structural & ALM risk

Interest rate risk of the banking activities

In respect to the interest rate risk, Belfius Bank pursues a risk management of its interest rate positions in the Banking book within a well-defined internal and regulatory limit framework, with a clear focus on generating stable earnings and preserving the economic value of the balance sheet and this in a macro-hedging approach, thoughtfully considering natural hedges available in the Bank balance sheet.

The management of non-maturing deposits (such as sight and savings accounts) and non-interest-bearing products use portfolio replication techniques. The underlying hypotheses concerning expected duration, rate-fixing period and tariff evolution are subject to constant monitoring and, if necessary, they are adjusted by the ALCo. Implicit interest rate options like prepayment risk are integrated through behavioural models.

Interest rate risk has two aspects: economic value volatility and earnings volatility. The measurement of both is complementary in fully understanding the interest rate risk in the Banking book.

Banks' ALM objective was during the last years tilted to protect the net interest income for downward pressures in historically low interest rate environment, while respecting the limits on variation of economic value. Since the beginning of 2022, there is a change of paradigm in a context of exceptionally high inflation. Long-term interest rates went up and the ECB has decided its first rate hike since long time in July 2022.

Economic value indicators capture the long-term effect of the interest rate changes on the economic value of the Bank. Interest rate sensitivity of economic value measures the net change in the ALM balance sheet's economic value (at run off balance sheet assumption) if interest rates move by 10 bps across the entire curve. The long-term sensitivity of the ALM perimeter was EUR -69 million per 10 bps on 30 June 2022 (compared to EUR -55 million per 10 bps on 31 December 2021), excluding interest rate positions of Belfius Insurance and of the pension funds of Belfius Bank.

The Earnings at Risk indicators capture the more shorter-term effect of the interest rate changes on the earnings of the Bank (under a stable balance sheet assumption). Therefore, indirectly through profitability, interest rate changes can also have a shorter-term solvency impact. A 50 bps increase of interest rates has an estimated impact on net interest income (before tax) of EUR -19 million of the next book year and an estimated cumulative impact of EUR -55 million over a three year period, whereas a 50 bps decrease would lead to an estimated impact of EUR -9 million over the next book year and an estimated cumulative impact of EUR +12 million over a three year period (compared to EUR +31 million, resp. EUR +192 million for a similar rate shock of +50 bps and EUR -9 million, resp. EUR -103 million for a rate shock of -35 bps end of last year).

Next to directional interest rate risk, also curvature risk, due to steepening or flattening of the interest rate curve, is monitored within a normative framework by the ALCo. The same applies to basis spread risk between Euribor and €STR and cross-currency spread risk.

The strong increase in interest rates over the first half of 2022 has an overall positive impact on the Bank's standard transformation model. On the one hand, the interest to receive on new production of commercial loans starts to increase and the interest paid to depositors still remains close to zero for the time being. On the other hand, re financings and prepaying mortgages have become less interesting for the customers. Furthermore, this increase in rates is decreasing the net collate ral cost for derivative contracts used to hedge the Bank's exposure to interest rate risk and in our ex-legacy books.

Interest rate risk of the insurance activities

For Belfius Insurance, the ALM objective is to limit the volatility of the P&L and the economic value of the company induced by potential changes in the interest rates.

The long-term sensitivity of the Net Asset Value of Belfius Insurance to interest rates was EUR 0.02 million per 10 bps as of 30 June 2022 (against EUR 8.3 million as of Q4 21). The decrease is due to the high increase of the rates during the year 2022. The earnings have a low sensitivity to interest rates for the next years, thanks to good matching in terms of duration.

Sensitivity tests on our Solvency II ratio are also quarterly perform on top of specific stress tests to monitor our exposure to the interest rate risk. Results show that our risk is limited and respect the risk appetite of the company.

11.7.5.3 Trading market risk

Financial Markets activities encompass client-oriented activities and hedge activities at Belfius Bank.

The Financial Market activities of Belfius Bank manage both the financial markets services for the two business segments E&E&P and IND, as well as for Group Centre portfolios and activities like the ALM of the Bank and the non-core portfolios. Belfius P&L remains somewhat sensitive especially for idiosyncratic credit spread movements

within its derivatives portfolio (both for E&E&P customers and in the non-core portfolios), GBP real rate movements within its non-core ALM yield bond portfolio and for its funding conditions.

No Financial Markets activities are undertaken at Belfius Insurance. For their needs in Financial Markets products, they turn to Belfius Bank or other banks.

11.7.6 Liquidity risk

11.7.6.1 Liquidity risk at Belfius Bank

Liquidity management framework

Belfius Bank manages its liquidity with a view to comply with internal and regulatory liquidity ratios. In addition, limits are defined for the balance sheet amount that can be funded over the short term and on the interbank market. These limits are integrated in the Risk Appetite Framework (RAF) approved by the Board of Directors and reported on a quarterly basis while the monitoring takes place on a daily basis. Available liquidity reserves also play a key role: at any time, Belfius Bank ensures it has sufficient quality assets to cover a temporary liquidity shortfall, both in normal markets and under stress scenarios. Belfius Bank defined specific guidelines for the management of LCR eligible bonds and non LCR eligible bonds, both approved by the Management Board. All this is laid down in liquidity guidelines, approved by the ALCo.

Asset and Liability Management (ALM), a division situated within the scope of the Chief Financial Officer (CFO), is the front-line manager for the liquidity requirements of Belfius Bank. ALM analyses and reports on current and future liquidity positions and risks. It defines and coordinates funding plans and actions under the operational responsibility of the ALCo and under the general responsibility of the Management Board. The ALCo also bears final operational responsibility for managing the interest rate risk contained in the banking balance sheet via the ALM department.

ALM organises a regular Assets and Liabilities Forum (ALF), in presence of the Risk department, the Treasury department and representatives of the commercial business lines. This forum coordinates the implementation of the funding plan validated by ALCo.

ALM monitors the funding plan to guarantee Belfius Bank will continue to comply with its internal and regulatory liquidity ratios.

ALM reports on a daily basis to the CFO and CRO and on a quarterly basis to the Board of Directors about the Bank's liquidity situation.

Second-line controls for monitoring the liquidity risk are performed by the Risk department, which ensures that the reports published are accurate, challenges the retained assumptions and models, realises simulation over stress situations and oversees compliance with limits, as laid down in the Liquidity Guidelines.

Exposure to liquidity risk

The liquidity risk at Belfius Bank is mainly stemming from:

- the variability of the amounts of commercial funding collected from retail and private customers, small, medium-sized and large companies, public entities and similar customers and allocation of these funds to customers through loans;
- the volatility of the collateral that is to be deposited at counterparties as part of the CSA framework for derivatives and repo transactions (so called cash & securities collateral);
- the value of the liquid reserves which allow Belfius Bank to collect funding on the repo market and/or from the ECB;
- the capacity to obtain interbank and institutional funding.

Consolidation of the liquidity profile

During the first half of 2022, Belfius preserved its diversified liquidity profile by:

- maintaining a substantial funding surplus within the commercial balance sheet;
- continuing to obtain diversified long-term funding from institutional investors;
- collecting short and medium-term (CP/CD/EMTN) deposits from institutional investors.

Belfius Bank participated in the ECB TLTRO III funding programme for an amount of EUR 15.65 billion with the purpose to finance investment needs of SME's, social sector and retail clients (mortgage loans excluded).

Belfius Bank reached end of June 2022 a 12-month average Liquidity Coverage Ratio (LCR) of 184%.The LCR of the Bank has known a strong increase after the participation in the TLTRO. Without the additional TLTRO at more advantageous conditions to compensate for the pressure on the Bank's standard transformation model, the LCR remained within our driving range during 2022.

The Net Stable Funding Ratio (NSFR), based on the binding CRR2 rules and calcula-ted according to EBA templates, stood at 140% end of June 2022, an increase explained by the participation in the TLTRO but also due to the decrease of the collateral related with derivative contracts used to hedge the Bank's exposure to interest rate risk.

Funding diversification at Belfius Bank[28]

The total funding of Belfius Bank amounted to EUR 161.2 billion as at 30 June 2022 compared to EUR 145.1 billion as at end December 2021.

Belfius Bank has a historical stable volume of commercial funding that comes from its individuals and E&E&P customers. Individual and E&E&P funding amounts in total to EUR 117.5 billion. The increase of EUR 3.6 billion commercial funding compared to end of 2021 is mainly used to finance the growth in commercial loans.

The loan-to-deposit ratio, which indicates the proportion between assets and liabilities of the commercial balance sheet, slightly increased from 85% at the end of December 2021 towards 86% at the end of June 2022.

Belfius Bank also receives medium-to-long-term wholesale funding, including EUR 6.0 billion from covered bonds, EUR 2.8 billion from Senior Unsecured, and EUR 15.7 billion in TLTRO funding from ECB as at 30 June 2022.

The Non-Preferred Senior Bonds of EUR 2.7 billion enable Belfius to respect the regulatory requirement of MREL Subordinated.

The remainder of the Bank's funding sources comes from institutional short-term deposits (Treasury) mainly by issuing Certificates of Deposit and Commercial Paper.

As a result of derivative contracts to cover interest rate risk of its activities, Belfius Bank has an outstanding position in derivatives for which collateral must be posted and is being received (cash & securities collateral). Against the background of historical still low interest rates, in net terms, Belfius Bank posts more collateral than it receives. With the strong increase in interest rates over the past 6 months, however, this net cash collateral position has strongly decreased from EUR 10.7 billion end of December 2021 to EUR 7.3 billion end of June 2022.

Liquidity reserves[29]

At the end of June 2022, Belfius Bank had readily realisable liquidity reserves of EUR 55.3 billion, a material increase from end 2021 levels (EUR 42.3 billion) mainly due to increase of commercial funding and short-term wholesale funding. These reserves consisted of EUR 45.3 billion in cash, EUR 8.0 billion in ECB eligible bonds (of which EUR 6.4 billion are CCP-eligible), EUR 1.0 billion in other assets also eligible at the ECB and EUR 1.0 billion in other liquid bonds.

[28] Unaudited.

[29] Unaudited.

These liquidity reserves represent 3.9 times the Bank's institutional funding outstanding end of June 2022 and having a remaining maturity of less than one year. The decrease of this asset coverage ratio since December 2021 (19.9 times) is mainly due to a strong increase in short-term wholesale funding. As Belfius obtained an upgrade in its short-term rating (A-1/P-1), investors' appetite for Belfius increased at very advantageous funding conditions.

Please note the ALM portfolio for liquidity management, with highly liquid assets, is included in the historical bond portfolio of Belfius Bank.

Encumbered assets

According to the EBA guideline based on the median values of the encumbrance reportings of the last four quarters, the encumbered assets at Belfius Bank level amount to EUR 43.3 billion in June 2022 and represent 23.5% of total bank balance sheet and collateral received under securities format. This represents a decrease of the encumbrance ratio of -2.5% compared to end 2021, this decrease being mainly explained by the maturing of covered bonds and the decrease in derivatives.

Belfius is active on the covered bond market since the set-up of the first covered bond program in 2012. End June 2022 (point in time), the total amount issued was EUR 6 billion, and the assets encumbered for this funding source are mainly composed of commercial loans (public sector and mortgage loans) and amount to EUR 7.6 billion.

The Bank is also collecting funding through repo markets and other collateralized deposits. End June 2022, the total amount of assets used as collateral for this activity amounts to EUR 22.3 billion, of which EUR 21.3 billion linked to the ECB funding. The exceptional drawing on the TLTRO III, allowing Belfius to generate additional P&L and capital to sustain the Belgian Economy, has led to a higher than normal Asset Encumbrance Ratio.

The balance of encumbered assets is also linked to collateral pledged (gross of collateral received) for the derivatives exposures for EUR 6.0 billion point in time (decrease of EUR 4.7 billion compared to end 2021), under the form of cash or securities. A significant part of collateral pledged is financed through collateral received from other counterparties with whom the Bank concluded derivatives in the opposite direction.

11.7.6.2 Liquidity risk at Belfius Insurance

As an insurance company in terms of liquidity management, Belfius Insurance engages mainly in life insurance liabilities at relatively long term that are largely stable and predictable. Consequently, funding requirement is quite limited. The premiums paid by policyholders are placed in long-term investments in order to guarantee the insured capital and committed interests at the contract's maturity date. Our liquidity indicators demonstrate that Belfius Insurance constantly holds enough liquid assets to cover its commitments on the liability side of the balance sheet.

In order to ensure that all short-term liquidity requirements can be met, Belfius Insurance has embedded liquidity management in its day-to-day activities through:

- investment guidelines that limit investments in illiquid assets;
- Asset Liability Management, ensuring that investment decisions take into account the specific features of the liabilities;
- policies and procedures put in place to assess the liquidity of new investments;
- follow up of the short-term treasury needs.

In addition, Belfius Insurance also holds a significant amount of unencumbered assets (mainly in governments bonds) eligible for repos in the context of its liquidity management.

The Investment department of Belfius Insurance is responsible for Belfius Insurance's liquidity and cash-flow management, for which it uses long-term projections of the cash-flows of assets and liabilities. These cash flows are simulated under both normal and stressed situations.

11.7.7 Minimum requirement for own funds and eligible liabilities ("MREL")

On 3 March 2022, the NBB notified Belfius that going forward it has to execute the SRB MREL instruction regarding the minimum requirement own funds and eligible liabilities at the consolidated level of Belfius Bank under BRRD2. For Belfius Bank, the MREL requirement on a consolidated basis is set at 22.73% of Total Risk Exposure Amount (TREA) and 7.87% of Leverage Ratio Exposure (LRE).

Belfius Bank must meet the target no later than 1 January 2024 and must provide for a linear build-up of equity and eligible liabilities towards the requirement. The SRB also determined an intermediate target of 22.37% of TREA and 6.84% of LRE which had to be met by 1 January 2022.

The SRB MREL instruction also defines a subordination requirement: Belfius Bank must meet at least 16.61% of TREA and 7.87% of LRE by means of subordinated MREL. Own funds used to meet the combined buffer requirement (CBR) set out in Directive 2013/36/EU (at 4.28% of TREA for Belfius currently) are not eligible to meet the requirements expressed in TREA. Belfius Bank must comply with this subordination requirement by 1 January 2024, subject to an intermediate target of 15.25% of TREA and 6.84% of LRE by 1 January 2022.

On 15 March 2022, Belfius received new proforma LRE targets in view of the discontinuation of the relief measure on leverage which will be used by the SRB to monitor Belfius‘ build-up of MREL resources towards the 1 January 2024 compliance date: 6.76% LRE for both the notional MREL and the notional requirement to be met using subordinated debts.

Belfius already meets its expected BRRD2 MREL requirements end 1H 2022. Indeed, expressed in TREA, Belfius MREL realised of EUR 18.6 billion amounts 29.50% to be compared with 27.01% of the 2024 final binding target (including CBR).

In the same way, Belfius MREL subordination of EUR 14.9 billion amounts 23.52% of TREA to be compared with EUR 20.61% of the binding target (8% TLOF which includes CBR). Expressed in LRE, Belfius MREL subordination of 7.45% stands in excess of 6.76% MREL requirement.

11.7.8 Impact of upcoming regulatory reforms

Basel III finalisation

Note that Belfius continues to monitor and prepare for upcoming regulatory developments stemming from the so-called "Basel III finalisation", referring to regulation CRR3 and directive CRD6 (applicable from 1 January 2025), and the EU Banking reform, including the revised market risk framework (Fundamental Review of the Trading Book) as well as the revised credit, operational and CVA risk approaches.

Based on our end 2021 balance sheet, and seeing those recently updated regulations, for some still in draft format, Belfius recently finetuned its impact assessment, and currently estimates to have no material CET 1 ratio impact anymore from the Basel III finalisation package, as the regulatory wise more favourable treatment on the Danish compromise would compensate for the sum of the less favourable impacts due to other CRR 3 elements (estimated at an increase of RWA by approximately EUR 4 billion on end 2021 balance sheet, mainly from regulatory changes for market and operational risk). Looking forward, taking into account the expected evolution in Belfius’ overall regulatory approaches and anticipated management mitigation actions, and considering an overall growing balance sheet from further development of our commercial franchise, the impact of CRR 3 at first time application (2025) on CET 1 ratio is currently estimated to be neutral to slightly positive. Customary disclaimers to forward looking aspects thereof and ever changing market and regulatory environment apply, of course.

11.7.9 Operational risk – Non-Financial Risk (NFR)

11.7.9.1 General principles

Non-Financial Risk (NFR) must be understood as a broad umbrella covering all risks except “financial risks” (the latter encompassing market, ALM, liquidity, credit and insurance risks). NFR covers among others operational risks (including fraud, HR, IT, IT-security, business continuity, outsourcing, data-related, privacy…) as well as reputational, compliance, legal, tax, ESG... risks.

The NFR management framework determines the principles that ensure an effective management of the non financial risks. The principles are further elaborated in specific Policies/Guidelines adapted to the business activities. These general principles are following the applicable legal and regulatory requirements.

The framework is based on the following pillars:

- a risk mapping and taxonomy in order to ensure consistency within the organisation, including a regular review of this mapping and taxonomy to identify emerging risks;
- clear roles and responsibilities, as well as a well-defined way of working together for all the risks based on the three Lines of Defence (3 LoD) model (decentralised responsibility);
- a strong governance/committee structure involving the appropriate level of management;
- a Risk Appetite Framework (RAF) definition and monitoring;
- transversal risk processes and related policies, such as: Change Risk Management, Integrated Risk Management and Operational Resilience (see further); and
- a focus on specific risks, such as Information Security and Data Privacy.

11.7.9.2 Risk appetite

The formal definition of a Risk Appetite Framework (RAF) is the key reference for the group Risk Management practice covering both financial and non-financial risks.

The RAF for NFR contains quantitative elements (target values or ratios) and qualitative elements (statements) and is articulated around three concepts on which limits are defined:

- "Risks": What are the risks? How to appreciate the risk level (past and forward looking)?
- "Risk management capacity": What is the capacity to manage the risks?
- "Loss tolerance": What are the potential P&L and future RWA impacts Belfius tolerates? What is the maximum level of reputation risk Belfius tolerates?

11.7.9.3 Transversal risk processes

Change Risk Management

Being and staying 'inspiring and meaningful for the Belgian society' implies continuous innovation. In that context, change risk management is a corner stone of the global risk management framework, with the New Product Approval Process (NPAP) and Project Risk Management as the main contributions.

New Product Approval Process

The process of developing or changing a function (product, service, activity, process or system) involves a sound (*ex ante*) risk assessment, the so-called New Product Approval Process (NPAP). Its purpose is to ensure that all risks related to any new or changed function are assessed by relevant experts and addressed accordingly and that they are overseen by a dedicated steering committee.

Project Risk Management

The capacity to deliver projects with high quality standards within the foreseen timeframe is a key success factor. In that context, a new Project Risk Management (PRM) framework is being developed in order to correctly and timely identify the risks and put in place the necessary controls. Based on this new framework, the reporting and monitoring system will also be further enhanced.

Integrated Risk Management

Incident Management

The systematic collection and control of data on operational incidents is one of the main requirements of the Basel Committee regarding operational risk management.

The reporting mechanisms ensure that incidents are quickly reported when the occur. Major incidents are investigated thoroughly and are reported to the CRO/Management Board. Such incidents are also subject to specific action plans and appropriate follow-up, under the responsibility of the concerned line management, for mitigation or limitation of the related risk.

The main areas of operational losses remain essentially due to incidents associated with external fraud and incidents in relation to execution, delivery and process mana-gement. Other categories remain limited in amount but not necessarily in number of events. The most important part of the financial impact resulting from operational incidents comes from the Bank's retail business.

Self-Assessment of Risks and Internal Controls

Another important task of risk management is the analysis of the overall main potential risks and related key controls, performed within Belfius Group's main entities. This is achieved through a bottom-up Self Assessment of Risks and Internal Controls (SARIC) in all departments and subsidiaries, using the COSO methodology to determine the internal control level. These exercises may result in the development of additional action plans to further reduce potential risks. They also provide an excellent overview of the main risk areas in the various businesses. They are conducted annually, and the results are submitted to the respective Boards of Directors through the reports regarding the assessment of internal control. Belfius Bank also submits the senior management report on the assessment of the internal control to its regulators.

Managing insurance policies

The possible financial impact of Belfius' operational risks is also mitigated by taking insurance policies, principally covering professional liability, fraud, theft, and interruption of business and cyber risk. This is standard practice in the financial services' industry.

Fraud risk

Belfius applies a zero-tolerance policy for all forms of fraud (internal, external, and mixed fraud schemes), monitors the threats continuously and manages these risks based on a global anti-fraud policy as defined and steered by senior management. The roles and responsibilities have been clearly defined with business and support lines as the first risk managers. The CRO and NFR team, including the Anti-Fraud Officer as expert, have a clear 2nd Line of Defence role.

In a context of evolving digital channels and faster payments processing, internal controls are continuously screened to prevent fraud and this to protect the interests of Belfius and its employees, customers, suppliers, and other stakeholders. Continuous investments are realised to protect clients against potential impacts from phishing or other techniques.

Moreover, an anti-fraud expert panel is regularly organized to enhance information exchange on fraud trends, fraud detection tools and best practices in order to enhance fraud detection and mitigation within Belfius Group and to ensure that the Anti-Fraud Steering Committee (A-FSC) receives the information necessary for defining & monitoring the anti-fraud risk management.

Outsourcing risk

The management of outsourcing risks is an important pilar of NFR management in view of the reliance on a number of key partners to ensure the continuity of Belfius' operations. The framework is well defined, with a dedicated RAF, clear roles and responsibilities, guidelines and policies in line with the EBA Guideline on Outsourcing Arrangements. A dedicated operational Committee is responsible for the management of outsourcing partners and 3rd parties in order to ensure the safeguard the risk profile within the RAF.

Operational Resilience

Business continuity & crisis management

Belfius is committed to its clients, counterparties, and regulators to put in place, maintain and test viable alternative arrangements that, following an incident, allow the continuation or the resumption of critical business activities at the agreed operational level and entirely compliant with the Belgian regulation.

The supporting process, the business continuity and crisis management, is applied in a uniform way at all Belfius entities and relies on a.o. threat analysis, business impact analysis, reallocation strategies (dual office, remote and homeworking, etc.), effective management reporting, business continuity plans as well as exercise and maintenance programs. In that way, Belfius has also demonstrated its resilience to the Covid-19 situation and during the current Ukraine/Russia crisis.

Employment Practices (HR) & Workplace Safety, Damage to Assets & Public Safety risk

Belfius has a very low appetite for physical security and workplace safety risk and strives to provide a safe environment for its staff, clients, guests, and assets by ensuring that its physical security measures and procedures meet high standards. To meet this goal, a Physical Security Steering Committee with all stakeholders systematically monitors the overall situation by means of a dashboard. It also acts as a forum to reflect and to dialogue on actual incidents, and to envisage action plans to reduce the risk to acceptable levels.

Focus on specific risks

Information Security

For Belfius, the purpose of information security is to protect Belfius' information having a value for the organization: i.e. the information generated by the business, the information belonging to our clients, and also the information, derived from freely accessible or publicly available data, which has acquired a value as a result of the treatment carried out by or on behalf of Belfius. The threats against data and information are their loss of integrity; of confidentiality; and their unplanned unavailability. The mission of information security is to safeguard against these threats.

Belfius also considers that the objective regarding information security extends to managing the risks linked to the consequences of these threats if they have materialized in terms of customers' trust, finance, reputation, peer confidence (regulators, financial markets) and confidence of our business partners. An information security strategy derived from these principles is applicable to all actions pertaining to information security.

In order to guarantee the information security within Belfius, the Information Security Steering (ISS) Committee, mana-ged by the Chief Information Security Officer (CISO) and chaired by the Chief Risk Officer, ensures a well governed and coordinated information security strategy whereby an adequate system of "prevention", "detection", "protection" and "reaction" is put in place, in line with regulatory requirements for information security. The steering of Belfius information security is relying on a combination of qualitative statements, tangible figures and quantitative statements: deviations from the risk appetite are challenged to mitigate the risks to an acceptable level. Large security projects are grouped together in a security road-map which typically spans the course of two years. Of course, the ever-evolving security threat landscape requires the organization to be resilient and anticipate existing and future threats.

Data privacy - Respect for privacy and customer satisfaction

The respect for privacy and the protection of personal data is a key commitment at Belfius, which is translated into a sound internal governance and principles to be followed in the respect of GDPR. In order to continuously guarantee data privacy within Belfius, the Privacy Committee related to GDPR regularly meets. Belfius' Management and several committees are informed about GDPR on a recurrent basis at Belfius.

Staff needs to regularly update their GDPR knowledge and are also regularly informed on GDPR 'news'.

The Data Privacy Officer (DPO) is part of the 2nd line of defence. A network of privacy correspondents, active in each department, work closely with the DPO to continuously raise awareness, control, and monitor processes and activities being in line with GDPR.

GDPR conformity, including a risk assessment for the rights and freedom of the owners whose personal data is treated, is integrated into every process to offer (existing, adapted, and new) products, innovative digital tools, services, and information sharing to its clients. This also included and includes the review of the privacy notice, the implementation of an adapted cookie policy and the implementation of the ruling of the European Court of Justice on eventual international transfers or international access of personal data.

All activities treating personal data are documented by the business lines in a privacy register and Belfius is very committed to avoid personal data breaches and to manage any incident as quickly as possible.

Data subject rights can be executed by data subjects via multiple possibilities, including the Belfius' online and mobile applications. More than 98% of the data subject rights are asked via the Belfius' online app and receives an answer in the same app within 1 business day.

11.7.10 ESG risk[30]

After laying out the foundations, designing a roadmap and creating an ESG Risk Competence Center, Belfius is now actively working on the implementation of its ESG action plan.

The main progress achieved during H1 2022 relates primarily to actions aimed at assessing and managing its vulnerabilities to and resilience against climate-related risks in the field of credit risk and more specifically risk identification and assessment as well as quantification of potential impact.

11.7.10.1 Risk identification and assessment

Belfius is combining two approaches:

- A top-down approach where climate-related risks (and opportunities) are assessed at portfolio level and potentially vulnerable counterparties are identified through risk clustering.
- A bottom-up approach where climate-related risks are assessed at counter-party and/or asset level and scores are assigned to debtors, properties and/or loans in function of their individual characteristics.

The current focus lays on the mortgage portfolio, on one hand, and the corporate portfolio, on the other hand.

Different top-down methodologies are being developed to carry out materiality assessments:

- For the mortgage portfolio: Belfius is building a tool that will enable the measurement of the sensitivity of collateral, debtors and exposures to specific risk drivers and transmission channels, covering both transition and physical risks. The first tested scenarios relate to the required improvement of the energy performance of buildings (transition risk) and the occurrence of floods (physical risk). Several climate scenarios will be analyzed and various variables and para-meters (including, for instance, current and target energy performance, charac teristics of properties and loans, evolution of debtors' cash flows, changes in the macro-environment, mitigants…) will be factored in.
- For the corporate portfolio: Belfius is working per sector and drafting heat maps based on most relevant risk drivers and transmission channels per sector. The goal is to evaluate the potential impact of these risks on credit risk parameters (considering the likelihood of risk materialization and the severity of potential financial impacts in case of event/scenario occurrence) across different time horizons.

A bottom-up scoring process is also being implemented:

[30] Unaudited.

- For residential mortgage loans: the purpose is to assess the climate vulnerability of the assets (level of exposure to physical and transition risks), quantifying potential gross and net financial impacts for debtors in case of risk materialization and assessing the impact thereof on various credit risk parameters. We expect to raise awareness amongst customers with the most climate - sensitive assets and support them in reducing their vulnerability.
- For corporates: the purpose is to know the global ESG profile of counterparties (taking into account their current performance and practices, historical trends, future plans...) and support their transition to a low carbon economy in order to get a win-win situation in which the customer improves its profile and Belfius reduces its risks.

Both the materiality assessments and the scores will feed our reflections in terms of business model, commercial strategy, and risk appetite.

11.7.10.2 Quantification of potential financial impact

Belfius was one of 104 European banks who participated to the EBA climate stress test. The ECB has published an overview of financial institutions' stress testing capabilities, as well as insights regarding potential vulnerabilities of the financial sector to climate-related risks (mainly: evolution of carbon prices, floods and droughts) and expected resilience under several (short and long term) scenarios.

Belfius' sensitivity to the aforementioned risks and scena rios should remain fairly limited as it relies on the overall good composition and risk profile of its balance sheet (not many exposures in the most carbon intensive sectors such as agriculture, mining...) to mitigate credit and market impacts (mainly: expected credit losses increase and (collateral) asset value decrease).

However, in line with the ECB's general conclusions of the exercise (not Belfius specific), the quantitative results should be interpreted with caution since, among others, only limited scopes of banks' portfolios were tested, the implemented scenarios for the bottom-up projections are considered mild, the granular counter party/asset level data required to properly gauge climate-related risks are often missing and most banks' credit models are currently not able to fully capture these risks.

11.8 Ratings

Between 1 January 2022 and 4 August 2022, the rating agencies took the following decisions:

- on 13 July 2022, Moody's confirmed Belfius Bank's long-term rating at A1 with Stable outlook;
- on 27 July 2022, Fitch affirmed Belfius Bank's long-term rating at A- with Stable outlook;
- on 29 July 2022, S&P published a new Full Analysis report on Belfius Bank, confirming its long-term rating of Belfius Bank at A with Stable outlook.

As at the date of this Prospectus, Belfius Bank had the following ratings:

	Stand-alone rating (*)	Long-term rating	Outlook	Short-term rating
Fitch	a-	A-	Stable	F1
Moody's	baa1	A1	Stable	Prime-1
Standard and Poor's	a-	A	Stable	A-1

(*) Intrinsic creditworthiness

The rating agencies, Standard & Poor's, Moody's and Fitch Ratings or other rating agency if applicable, use ratings to assess whether a potential borrower will be able in the future to meet its credit commitments as agreed. A major

element in the rating for this purpose is an appraisal of the company's net assets, financial position and earnings performance.

In addition, Belfius Bank is wholly owned by the Belgian federal state through the Federal Holding and Investment Company, and it is possible that, if the ratings assigned to the Belgian federal state were to be downgraded, that could result in the ratings assigned to Belfius Bank being negatively affected. Moreover, as the ownership of a bank is one of the factors taken into in determining a bank's rating, a change of ownership of Belfius Bank could have a potential impact on the ratings assigned to Belfius Bank.

A bank's rating is an important comparative element in its competition with other banks. It also has a significant influence on the individual ratings of a bank's important subsidiaries.

A downgrading or the mere possibility of a downgrading of the rating of Belfius Bank or one of its subsidiaries might have adverse effects on the relationship with customers and on the sales of the products and services of the company in question. In this way, new business could suffer, Belfius Bank's competitiveness in the market might be reduced, and its funding costs would increase substantially. A downgrading of the rating would also have adverse effects on the costs to Belfius Bank of raising equity and borrowed funds and might lead to new liabilities arising or to existing liabilities being called that are dependent upon a given rating being maintained. It could also happen that, after a downgrading, Belfius Bank would have to provide additional collateral for derivative transactions in connection with rating-based collateral arrangements. If the rating of Belfius Bank were to fall within reach of the non-investment grade category, it would suffer considerably. In turn, this would have an adverse effect on Belfius Bank's ability to be active in certain business areas.

11.9 Other information

11.9.1 Dependency of the Issuer

The Issuer is not dependent on any of its subsidiaries, save for Belfius Insurance SA/NV. Belfius Insurance SA/NV holds the licenses required for insurance undertakings, and Belfius Bank consequently relies on it for the insurance activities carried out by it.

11.9.2 Arrangements resulting in a change of control

As at the date of this Base Prospectus, there are no arrangements known to Belfius Bank, the operation of which may at a subsequent date result in a change of control of Belfius Bank.

11.9.3 Recent events: Russia/Ukraine

Belfius is closely monitoring the geopolitical risks related to the Russia-Ukraine conflict that started at the end of February 2022.

10 years ago, Belfius made a commitment to "never again" conduct business that it is not in line with its strategy, being "meaningful and inspiring for the Belgian society". Belfius therefore strongly refocused its activities on the Belgian market. The result thereof is an immaterial impact of the conflict in terms of direct exposures on Russian, Ukrainian or Belarusian counterparts. Belfius direct exposure (Russian, Ukrainian and Belarusian counterparties) is below EUR 1 million.

The indirect impacts related to the Russia/Ukraine crisis also remain so far rather limited for the Enterprises and Entrepreneurs segment. The vulnerability of Enterprises and Entrepreneurs towards indirect effects like rising costs for raw materials, salaries and energy and the commodity scarcity will remain an area of attention in the upcoming months. Soaring inflation remains also an attention and monitoring point for the Individuals segment where the assessments of the Belfius loan portfolios did not yet reveal material critical risk observations so far.

Also, in terms of liquidity and solvency, no impacts are to be noted as liquidity remains ample and the solvency ratios remain solid.

In the context of this conflict in Ukraine, specific business continuity planning (BCP) scenarios have been worked out (power outage, human & information, security, etc.) for which Belfius' maturity is considered as adequate. In the same context and facing an increased activity through cyber-attacks, information security.

Other than as stated in this section and in the section entitled "*Non-adjusting post-balance sheet events*" above, as at the date of this Base Prospectus there are no recent events particular to Belfius Bank which are, to a material extent, relevant to the evaluation of its solvency.

11.10 Litigation

Belfius (Belfius Bank and its consolidated subsidiaries) is involved as a party in a number of litigations in Belgium, arising in the ordinary course of its business activities, including those where it is acting as an insurer, capital and credit provider, employer, investor and taxpayer.

Belfius recognises provisions for such litigations when, in the opinion of its management taking into account all available elements, including an analysis by its company lawyers and external legal advisors as the case may be,

- a present obligation has arisen as a result of past events;
- it is probable that Belfius will have to make a payment; and
- the amount of such payment can be estimated reliably.

With respect to certain other litigations against Belfius, of which management is aware, no provision has been made according to the principles outlined here above, as the management is of the opinion, after due consideration of appropriate advice, that, while it is often not feasible to predict or determine the ultimate outcome of all pending litigations, such litigations are without legal merit, can be successfully defended, or that the outcome of these actions is not expected to result in a significant loss.

In the opinion of Belfius, the most important cases are listed below, regardless of whether a provision has been made or not[31]. Their description does not deal with elements or evolutions that do not have an impact on the position of Belfius. If the cases listed below were to be successful for the opposite parties, they could eventually result in monetary consequences for Belfius. For litigations for which no provision has been made, such impact remains unquantifiable at this stage.

11.10.1 Housing Fund of the Brussels Capital Region

On 9 October 2012, the Housing Fund of the Brussels Capital Region (*Woningfonds van het Brussels Hoofdstedelijk Gewest/Fonds du Logement de la Région de Bruxelles-Capitale*) summoned Belfius Bank before the Brussels Commercial Court. The Housing Fund subscribed for a total amount of EUR 32,000,000 to 4 treasury notes issued by Municipal Holding (*Gemeentelijke Holding/Holding Communal*), placed by Belfius acting as dealer under the Municipal Holding commercial paper program, between July and September 2011 (Commercial Paper program). Due to severe financial difficulties encountered by the Municipal Holding, the Housing Fund granted a voluntary waiver to the Municipal Holding on 24 November 2011 and received repayment for EUR 16 million. The Municipal Holding entered into liquidation in December 2011. Due to the intervention of Belfius as dealer of the treasury notes, the Housing Fund demanded the payment by Belfius Bank of the non-repaid capital. As the loss incurred on this investment is the result of a voluntary waiver of the claim by the Housing Fund, which matches half of the investment, Belfius Bank rejected the demand from the Housing Fund.

On 27 March 2014, the Brussels Commercial Court accepted the claim application by the Housing Fund, but declared it unfounded. The Housing Fund lodged an appeal against this judgement on 3 June 2014.

On 28 March 2022, the Brussels Court of Appeal declared the Housing Fund's appeal unfounded. The Housing Fund renounced to continue the procedure before the Court of Cassation. This litigation is therefore closed.

[31] Note that, where relevant, Art. 92 of IAS37 may apply to this section.

11.10.2 Arco - Cooperative shareholders

Various parties, including Belfius Bank, have been summoned by Arco - Cooperative shareholders in two separate procedures, i.e. one procedure before the Dutch speaking Commercial Court of Brussels and another procedure before the Court of First Instance of Brussels:

On 30 September 2014, 737 shareholders from 3 companies of the Arco Group (Arcopar, Arcoplus and Arcofin) initiated (with support of Deminor) proceedings against the Arco entities and Belfius Bank before the Dutch speaking Commercial Court of Brussels (the "**Deminor Proceedings**"). On 19 December 2014, 1,027 additional shareholders of the Arco entities joined in the Deminor Proceedings. On 15 January 2016, 405 additional shareholders of the Arco entities joined the Deminor Proceedings, resulting in a total of 2,169 plaintiffs. On 16 November 2020, a further "Deminor" procedure was initiated, in which all plaintiffs except one joined, to anticipate a possible nullity of the original summons. The content of the two proceedings is identical. As a result, they are treated together.

The plaintiffs have requested that the Brussels Court rules, among other things:

- in first order, that the agreements by virtue of which they became shareholders of the relevant Arco entities are null and void as a consequence of an alleged defect in consent;
- that the defendants should therefore, in solidum, reimburse the plaintiffs for their financial contribution in these entities plus interest;
- in the alternative, a compensation is asked to Belfius Bank for an alleged violation of the information duty; and
- that the defendants are liable for certain additional damages to the plaintiffs.

The historical financial contribution of the 2,169 plaintiffs to the Arco Group entities, for which reimbursement is claimed, amounted to approximately EUR 6.5 million (principal amount). The plaintiffs' claims in the Deminor Proceedings are based on allegations of fraud and/or error on the part of the Arco entities and Belfius Bank. In the alternative, the plaintiffs have argued that Belfius Bank breached its general duty of care as a normal and prudent banker. In relation to Belfius Bank, the plaintiffs have referred to certain letters and brochures alleged-ly containing misleading information issued by the predecessors of Belfius Bank. The Belgian State, DRS Belgium (Deminor) and the Chairman of the Management Board of the Arco entities are also defendants in the proceedings before the Commercial Court of Brussels. In the meantime, the VZW Arcoclaim also intervened in this litigation procedure (on grounds of an alleged transfer of claim by one of the plaintiffs/shareholders). The case has been pleaded during several pleading sessions in June 2021. In its decision announced on 3 November 2021, the Dutch-speaking Commercial Court of Brussels rejected all the claims of the cooperative shareholders. In January 2022, Deminor has announced in the press that the plaintiffs will introduce an appeal against the judgment and that additional judicial proceedings, for new and more plaintiffs, shareholders of Arco entities, may be initiated. In June 2022, DRS Belgium, VZW Arcoclaim and a plaintiff have introduced appeal before the Court of Appeal in Brussels.

On 7 February 2018, 2 cooperative shareholders summoned the Belgian State before the Court of First Instance of Brussels because they state that the Belgian State has made a fault by promising and introducing a guarantee scheme for shareholders of financial cooperative companies (like the Arco cooperative shareholders) which has been considered illicit state aid by the European Commission. These 2 plaintiffs also summoned Belfius Bank on 8 February 2018 to intervene in this procedure and claim compensation from Belfius Bank because they consider that Belfius Bank erred in the sale of the Arco shares. Groups of Arco-shareholders organi-zed themselves via social media to mobilize other Arco shareholders to become claimant in this procedure, and to the knowledge of Belfius, so far approximately 5,380 Arco shareholders did so. The VZW Arcoclaim also intervenes in this litigation procedure. In this procedure, on 31 March 2022, VZW Arcoclaim has requested the initiation of a mediation procedure before the court. In such case, all parties must be summoned and heard by the court that then will decide on the appropriateness of a mediation. That hearing is on the date of this Base Prospectus scheduled for November 2022. There is not yet a pleading calendar in this case.

No provision has been made for these claims because Belfius Bank is of the opinion that it has sufficient valid arguments to result in these claims being declared inadmissible and/or without merit.

11.10.3 Funding Loss

Belfius Bank is facing some legal actions regarding the issue of indemnities charged for funding losses incurred by the Bank. The latter are charged to professional clients in the case of early repayment of professional credits. These indemnities are calculated in line with the current legal dispositions and the contractual framework of such credits to reflect the financial losses that are actually incurred by the Bank in the case of early repayment of a professional credit. Belfius booked provisions to cover the potential adverse outcome of litigation proceedings. These provisions are reassessed on an ongoing basis, taking into account the evolution of Belgian case law and the relevant outstanding credits.

11.10.4 Investigations into Panama Papers

These paragraphs are mentioned for completeness only, although the matters below do not comprise a litigation. On 5 December 2017, a police search under the lead of an examining magistrate of Brussels (*onderzoeksrechter/juge d'instruction*) took place at Belfius Bank's head office in the framework of the Belgian "Panama Papers" Parliamentary Commission. The Bank was investigated as a witness and has not been accused of any wrongdoing. The scope of the investigation is to establish whether there are any violations of anti-money laundering obligations and to investigate the link between Belfius Bank (or its predecessors), and, amongst others, Experta and Dexia Banque Internationale à Luxembourg (i.e. former entities of the Dexia group).

To date, Belfius Bank did not receive any further information since the above mentio-ned police search.

11.10.5 Investigation by public prosecutor into the activities of an independent bank agency

On 12 November 2020, public prosecution has been initiated, a.o. against Belfius Bank, for its alleged role in potential fraudulent activities that would have been conducted with the assistance of a director of an independent bank agency of Belfius Bank in violation of several (banking) regulations. After consultation of the criminal file, Belfius continues to believe that it has sufficient valid arguments to result in these claims being declared inadmissible and/or without merit. No provision has been booked for this case.

11.11 Management and Supervision of Belfius Bank

11.11.1 Composition of the Management Board and the Board of Directors

A. Management Board

The Management Board currently has five members who have all acquired experience in the banking and financial sector. The members of the Management Board form a college.

The Management Board has consisted of the following five members:

Name	Position	Significant other functions performed outside Belfius Bank
Marc Raisière	Chairman	none
Marianne Collin	Member	none
Dirk Gyselinck	Member	none
Olivier Onclin	Member	none
Johan Vankelecom	Member	none

Since 1 January 2019, the Management Board, in consultation with the Board of Directors, was expanded with three associated members: Mr. Patrick Devis, IT manager, Mrs. Camille Gillon, HR & Building Management manager and Mr. Geert Van Mol, Data & Digital manager. The associated members of the Management Board attended the meetings of Belfius Bank's Management Board in an advisory capacity.

A new organisational structure of Belfius Bank was presented to the Board of Directors on 17 September 2021, whereby: (i) the position of associate member of the Management Board disappeared as of 1 January 2022, (ii) the CTO (Group Chief Technology Officer) attends the Management Board as a permanently invited member as of 1 January 2022 and (iii) digital strategy and digital sales are henceforth integrated into the responsibilities of the PBR and WEP divisions.

The above members of the Management Board have their business address at 1210 Brussels, Place Charles Rogier 11, Belgium.

The Management Board is responsible for the effective management of Belfius Bank, directing and coordinating the activities of the various business lines and support departments within the framework of the objectives and general policy set by the Board of Directors. These powers do not include determining Belfius Bank's overall policy, nor actions reserved for the Board of Directors by the provisions in the Belgian Code of Companies and Associations or by the Banking Law.

The Management Board ensures that Belfius Bank's business activities are in line with the strategy, risk management and general policy set by the Board of Directors. It passes on relevant information to the Board of Directors to enable it to take informed decisions. It formulates proposals and advice to the Board of Directors with a view to defining or improving Belfius Bank's general policy and strategy.

The members of the Management Board form a collegial body. They are required to carry out their duties in complete objectivity and independence.

Under the supervision of the Board of Directors, the Management Board takes the necessary measures, including supervisory measures, to ensure that Belfius Bank has a robust and sustainable organisational structure suited to Belfius Bank's organisation in order to guarantee the effective and prudent management of Belfius Bank in accordance with the Banking Law.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the Management Board and their private interests and other duties.

B. Board of Directors

The Board of Directors defines, after a proposal or recommendation of the Management Board, and, inter alia, supervises:

- the institution's strategy and objectives;
- the risk policy, including the risk tolerance level;
- the organisation of the institution for the provision of investment services, the exercise of investment activities, the provision of ancillary services, the marketing of structured deposits and the provision of advice to clients on such products, including the organisational arrangements, as well as the skills, knowledge and expertise required of the staff, the resources, procedures and mechanisms with or by which the institution provides those services and exercises those activities; and
- the integrity policy.

In the context of this responsibility, the Board of Directors is actively involved with the general policy, in particular regarding the supervision of the risk policy, organisation and financial stability of Belfius Bank and its governance, including the definition of the credit institution's objectives and values.

Also, as Belfius Bank is head of the Belfius financial conglomerate, Belfius Bank's Board of Directors is responsible for the general policy, risk appetite and strategy of Belfius and the compliance of the subsidiaries herewith.

The Board of Directors also approves Belfius Bank's Governance Memorandum.

Pursuant to the articles of association of Belfius Bank, the Board of Directors of Belfius Bank is composed of a minimum of ten members appointed for maximum terms of four years. The table below sets forth the names of the Directors, their position within Belfius Bank and the other significant functions they perform outside Belfius Bank.

The business address for the members of the Board of Directors is 1210 Brussels, Place Charles Rogier 11, Belgium.

The Board of Directors consists of sixteen members, five of whom sit on the Management Board.

The Board of Directors, which is made up of professionals from a variety of industries, including the financial sector, has the expertise and experience required associated with Belfius Bank's various operating businesses.

Name	**Position**	**Significant other functions performed outside Belfius Bank**
Chris Sunt	Chairman of the Board of Directors of Belfius Bank (Independent Director)	none
Marc Raisière.....	Chairman of the Management Board	none
Marianne Collin……	Member of the Management Board Chief Risk Officer Responsible for Risk Management and Compliance	none
Dirk Gyselinck.....	Member of the Management Board Responsible for Wealth, Enterprises & Public	none
Olivier Onclin	Member of the Management Board Responsible for Private Business & Retail Banking	none
Johan Vankelecom	Member of the Management Board Chief Financial Officer, Responsible for Accounting, ALM, Legal & Tax, Strategic Planning and Performance Management (SPPM)	none
Paul Bodart	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies and non-profit organisations

Name	Position	Significant other functions performed outside Belfius Bank
Bruno Brusselmans……..	Member of the Board of Directors of Belfius Bank (Independent Director)	Chief Information Officer at Luminus-EDF Group
Martine De Rouck.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Consultant
Carine Doutrelepont.....	Member of the Board of Directors of Belfius Bank (Director)	Lawyer and full Professor at the Université Libre de Bruxelles (ULB)
Peter Hinssen……	Member of the Board of Directors of Belfius Bank (Independent Director)	Entrepreneur, keynote speaker and author
Georges Hübner	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor at HEC Liège - University of Liège
Isabel Neumann……	Member of the Board of Directors of Belfius Bank (Independent Director)	Chief Investment Officer at Shurgard Self Storage Non-Executive Director at King's college London University
Diane Zygas-Rosen……..	Member of the Board of Directors of Belfius Bank (Independent Director)	Chief Human Resources Officer and Chief Financial Officer at Group S
Lutgart Van Den Berghe	Member of the Board of Directors of Belfius Bank (Director)	Emeritus extraordinary Professor at the University of Ghent (UG) and emeritus part-time Professor at the Vlerick Business School
Rudi Vander Vennet	Member of the Board of Directors of Belfius Bank (Director)	Full Professor in Financial Economics and Banking at the University of Ghent (UG)

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the Board of Directors and their private interests and other duties.

11.11.2 Advisory committees set up by the Board of Directors

The Board of Directors of Belfius Bank established various advisory committees to assist in its task, i.e., a Nomination Committee, a Remuneration Committee, an Audit Committee and a Risk Committee. These committees are exclusively composed of Non-Executive Directors. These directors are members of a maximum of three of these advisory committees. A Mediation Committee and a Technology Committee have also been installed within the governance of the Belfius group.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of any of the following advisory committees and their private interests and other duties.

A. Nomination Committee

As of the date of this Base Prospectus, the Nomination Committee of Belfius Bank has the following membership:

Name	Position
Lutgart Van Den Berghe	Chairman – Director of Belfius Bank
Chris Sunt	Member – Chairman of the Board of Directors of Belfius Bank
Diane Zygas-Rosen.....	Member – Director of Belfius Bank

The members of the Nomination Committee have the required skills, based on their education and diverse professional experience, to give a competent and independent judgment on the composition and operation of Belfius Bank's management bodies, in particular on the individual and collective skills of their members and their integrity, reputation, independence of spirit and availability.

The Nomination Committee:

- identifies and recommends, for the approval of the General Meeting of Shareholders or of the Board of Directors, as the case may be, candidates suited to fill vacancies on the Board of Directors, evaluates the balance of knowledge, skills, diversity and experience within the Board of Directors, prepares a description of the roles and capabilities for a particular appointment and assesses the expected time commitment. The Nomination Committee also decides on a target for the representation of the underrepresented gender within the Board of Directors and prepares a policy on how to increase the number of underrepresented gender in order to meet that target;
- periodically, and at least annually, assesses the structure, size, composition and performance of the Board of Directors and makes recommendations to it with regard to any changes;
- periodically assesses the knowledge, skills, experience, degree of involvement and in particular the attendance of members of the Board of Directors and advisory committees, both individually and collectively, and reports to the Board of Directors accordingly;
- periodically reviews the policies of the Board of Directors for selection and appointment of members of the Management Board, and makes recommendations to the Board of Directors;
- prepares proposals for the appointment or mandate renewal, as the case may be, of directors, members of the Management Board, the Chairman of the Board of Directors and the Chairman of the Management Board;
- assesses the aptitude of a director or a candidate director to meet the criteria set forth for being considered as an independent director;
- examines questions relating to problems with the succession of directors and members of the Management Board;
- establishes a general and specific profile for directors and members of the Management Board;
- ensures the application of provisions with regard to corporate governance;
- prepares proposals for amendments to the internal rules of the Board of Directors and the Management Board;
- assesses the governance memorandum and, if necessary, proposes amendments;
- at least annually discusses and analyses the quantitative statement and qualitative analysis of communications regarding stress, burn-out and inappropriate behaviour at work and actions taken to remedy situations.

In performing its duties, the Nomination Committee ensures that decision-taking within the Board of Directors is not dominated by one person or a small group of persons, in a way which might be prejudicial to the interests of Belfius Bank as a whole.

The Nomination Committee may use any type of resources that it considers to be appropriate for the performance of its tasks, including external advice, and receives appropriate funding to that end.

The Nomination Committee acts for Belfius Bank, Belfius Insurance, Corona and Belfius Investment Partners.

B. Remuneration Committee

As of the date of this Base Prospectus, the Remuneration Committee of Belfius Bank has the following membership:

Name	**Position**
Lutgart Van Den Berghe	Chairman – Director of Belfius Bank
Chris Sunt	Member – Chairman of the Board of Directors of Belfius Bank
Diane Zygas-Rosen.....	Member – Director of Belfius Bank

The members of the Remuneration Committee have the required skills, on the basis of their educational and professional experience, to give a competent and independent judgment on remuneration policies and practices and on the incentives created for managing risks, capital and liquidity of Belfius Bank.

In order to perform its tasks correctly, the Remuneration Committee interacted regularly with the Risk Committee and the Audit Committee in 2021.

The Risk Committee ensures that Belfius' risk management, capital requirements and liquidity position, as well as the probability and the spread in time of profit is correctly taken into consideration in decisions relating to remuneration policy.

Within Belfius Bank, this is reflected by the formulation of an opinion on a global "Risk Gateway" and by the establishment and assessment of Key Risk Indicators on an annual basis. Their preparation is undertaken by the risks divisions, in collaboration with the human resources division.

The Audit Committee contributes to the establishment of objectives for the Auditor General and the Audit and Risk Committee for the objectives for the Compliance Officer.

The audit department at Belfius Bank will provide an independent and regular analysis of the remuneration policy and its practical implementation. The most recent follow-up study was realised in 2019. This audit did not raise any particular comments.

The Remuneration Committee prepares the decisions of the Board of Directors by *inter alia*:

- developing the remuneration policy, as well as making practical remuneration proposals for the Chairman, the non-executive members of the Board of Directors and the members of the advisory committees of the Board of Directors. The Board of Directors submits these remuneration proposals to the General Meeting of Shareholders for approval;
- developing the remuneration policy, as well as making practical proposals for the remuneration of the Chairman of the Management Board and, on his proposal, for the remuneration of the members of the Management Board; The Board of Directors then determines the remuneration of the Chairman and the members of the Management Board;
- providing advice on the proposals made by the Chairman of the Management Board of Belfius Bank in relation to the severance remuneration for members of Belfius Bank's Management Board. On the proposal of the Remuneration Committee, the Board of Directors of Belfius Bank determines the severance remuneration of the Chairman and members of Belfius Bank's Management Board;

- advising the Board of Directors in relation to the remuneration policy for staff members whose activity has a material impact on the risk profile of Belfius Bank (known as "Identified Staff") and in relation to the compliance of the allocation of remuneration to Identified Staff with regard to the remuneration policy put in place for them;
- preparing the remuneration report approved by the Board of Directors and published in the annual report;
- periodically checking to ensure that the remuneration programmes are achieving their objective and are in line with applicable conditions;
- annually assessing the performance and objectives of the members of the Management Board;
- providing an opinion of the elaboration of a global "Risk Gateway", in consultation with the Risk Committee, containing various levers applied at various points in the performance management cycle, with an impact on determination of the variable remuneration.

The Remuneration Committee exercises direct supervision over the determination of objectives and remuneration of the individuals responsible for the independent control functions (Chief Risk Officer, General Auditor & the Compliance Officer).

The Remuneration Committee acts for both Belfius Bank, Belfius Insurance, Corona and Belfius Investment Partners.

C. Audit Committee

As at the date of this Base Prospectus, the Audit Committee of Belfius Bank has the following membership:

Name	**Position**
Georges Hübner	Chairman Director of Belfius Bank
Paul Bodart	Member Director of Belfius Bank
Martine De Rouck……..	Member Director of Belfius Bank
Diane Zygas-Rosen……	Member Director of Belfius Bank

The majority of the members of the audit committee are independent directors. Members of the audit committee have collective expertise in the field of banking, accountancy and auditing. At least one independent director of the audit committee is an expert in the field of accounting and/or audit.

The Audit Committee assists the Board of Directors in its task of carrying out prudential controls and exercising general supervision. The Audit Committee of Belfius Bank operates independently of the Audit Committee implemented at Belfius Insurance. However, the respective Audit Committees of Belfius Bank and Belfius Insurance held four joint meetings in 2021, in particular when the insurance company's annual financial statements for 2020 and the half-yearly financial statements at 30 June 2021 were presented.

D. Risk Committee

As at the date of this Base Prospectus, the Risk Committee has the following membership:

Name	Position
Rudi Vander Vennet	Chairman Director of Belfius Bank
Martine De Rouck……..	Member Director of Belfius Bank
Georges Hübner	Member Director of Belfius Bank

The members of the Risk Committee have the individual expertise and professional experience required to define strategy regarding risk and the level of risk appetite of an institution. They have acquired the specialisation necessary in particular as directors with other institutions and/or in their university training. Consequently, the Risk Committee has the required individual knowledge and expertise.

The Risk Committee has advisory powers and responsibilities with regard to the Board of Directors in the following areas:

- appetite and strategy regarding Belfius Bank's current and future risks, more particularly the effectiveness of the risk management function and the governance structure to support them;
- monitoring implementation of risk appetite and strategy by the Management Board;
- allocating the risk appetite to various categories of risks and defining the extent and limits of risk in order to manage and restrict major risks;
- considering the risks run by Belfius Bank with its customer tariffs;
- assessing activities which expose Belfius Bank to real risks;
- supervising requirements in terms of capital and liquidity, the capital base and Belfius Bank's liquidity situation;
- guaranteeing that risks are proportional to Belfius Bank's capital;
- formulating an opinion with regard to major transactions and new proposals for strategy activities that have a significant impact on Belfius Bank's risk appetite;
- obtaining information and analysing management reports as to the extent and nature of the risks facing Belfius Bank and the conglomerate (e.g. quarterly GFCR reporting);
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Recovery Plan.

The Risk Committee operates independently of the Risk & Underwriting Committee of Belfius Insurance. On the request of the Chairman of Belfius Bank's committee, a joint Risk Committee of Belfius Bank and Belfius Insurance may be held. To promote sound remuneration policy and practices, without prejudice to the tasks of the Nomination Committee and the Remuneration Committee, the Risk Committee examines whether incentives in the remuneration system take proper account of the institution's risk management, equity requirements and liquidity position, as well as the probability and distribution of profit over time.

The Risk Committee and the Audit Committee periodically exchange information in particular concerning the quarterly risk report, the senior management report on the assessment of internal control and the risk analyses performed by the Legal, Compliance and Audit Departments. The aim of this exchange of information is to enable the two committees to perform their tasks properly and can take the form of a joint meeting.

E. Mediation Committee

A Mediation Committee has been established within the Belfius group.

As at the date of this Base Prospectus, the Mediation Committee has the following membership:

Chairman.....	Chris Sunt Chairman of the Board of Directors of Belfius Bank
Members.....	Martine De Rouck Member Director of Belfius Bank
	Carine Doutrelepont Member Director of Belfius Bank
	Jean-Michel Kupper Member Director of Belfius Insurance
	Cécile Coune Member Director of Belfius Insurance

The Mediation Committee is responsible for issuing opinions relating to material transactions or operations between, on the one hand, Belfius Bank or its subsidiaries and, on the other hand, Belfius Insurance or its subsidiaries, or between their respective subsidiaries. Such opinions are sent to the Board of Directors of the companies concerned, which will then take a final decision on the planned transaction or operation.

F. Technology Committee

A Technology Committee has been established within the Belfius group in May 2021.

As at the date of this Base Prospectus, the Technology Committee has the following membership:

Chairman.....	Paul Bodart Director of Belfius Bank
Members.....	Bruno Brusselmans Member Director of Belfius Bank
	Carine Doutrelepont Member Director of Belfius Bank
	Peter Hinssen Member Director of Belfius Bank
	Jean-Michel Kupper Member Director of Belfius Insurance
	Isabel Neumann Member Director of Belfius Bank

Stijn Bijnens
Member
External advisor of Belfius Bank

The Technology Committee, which is responsible for Belfius Bank and its subsidiaries, advises the Board of Directors on its technology strategy, important technology investment decisions. Technology includes inter alia IT, digital and artificial intelligence.

The Technology Committee is responsible for:

- advising the Board of Directors on, and propose/recommend the decisions of the Board of Directors with respect to, technology strategy and material technology investment choices;
- monitoring, evaluating and advising the Board of Directors on existing and future technology trends, regulation and competition / FinTech developments that may affect Belfius' strategic plans including the monitoring of overall industry trends and future trends concerning enterprise data management and the financial industry's use of data to maximize the customer experience value;
- assessing measures and advising the Board of Directors on Belfius' technological strategic milestones and transformational developments, such as customer experience, sales through digital channels and potential synergies with physical and other networks, potential partnerships;
- monitoring and reporting to the Board of Directors on progress made with respect to the implementation of the technology decisions taken by the Board of Directors, including but not limited to, technology performance and security. This includes inter alia. monitoring and challenging the status of the move for the cloud infrastructure (timing, pace, risk mitigation, hybrid models, talents), foundations and platforms;
- reviewing and discussing reports from management on technology related activities, strategies and metrics, including enterprise data project performance, and reporting to the Board of Directors on the same.

Responsibility for the oversight of risks associated with technology, including risk assessment and risk management, remains with the Risk Committee and Audit Committee.

11.12 Audited Consolidated Financial Statements of Belfius Bank[32]

Belfius Bank's Audited Consolidated Balance Sheet

	Notes	31 December 2020	31 December 2021
Assets		*(in thousands of EUR)*	
Cash and balances with central banks	5.2.	25,433,799	31.640,347
Loans and advances due from credit institutions	5.3.	11,911,665	10,411,237
(a) Measured at amortised cost		11,911,665	10,411,237
(b) Measured at fair value through other comprehensive income		0	0

[32] *For a complete presentation of the Finanial Statement of Belfius Bank, please see the 2020 annual report on the website* https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_RA2020_eng.pdf

(c) Measured at fair value through profit or loss ...		0	0
Loans and advances	5.4.	98,108,050	102,678,814
(a) Measured at amortised cost.....		96,811,908	101,540,978
(b) Measured at fair value through other comprehensive income		0	99,119
(c) Measured at fair value through profit or loss ...		1,296,142	1,038,717
Debt securities & equity instruments	5.5.	28,848,865	27,195,351
(a) Measured at amortised cost.....		22,039,067	20,839,937
(b) Measured at fair value through other comprehensive income		5,170,430	4,959,373
(c) Measured at fair value through profit or loss ...		1,639,368	1,396,041
Unit linked products insurance activities		3,813,059	4,245,672
Derivatives	5.6.	12,188,113	8,909,039
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6.	4,631,922	3,651,783
Investments in equity method companies	5.7.	98,880	96,107
Tangible fixed assets	5.8.	1,189,898	1,614,068
Intangible assets	5.9.	195,833	214,928
Goodwill	5.10.	103,966	103,966
Tax assets	5.11.	403,390	355,777
(a) Current tax assets		33,622	27,073
(b) Deferred tax assets		369,769	328,704
Technical insurance provisions – part of the reinsurer	6.5.	107,075	130,890
Other assets	5.12.	931,216	876,060
Non current assets (disposal group) held for sale and discontinued operations.....	5.13.	25,700	26,505
Total assets		**187,991,433**	**192,150,543**

	Notes	**31 December 2020**	**31 December 2021**
Liabilities		*(in thousands of EUR)*	
Cash and balances from central banks	6.1.	14,173,519	15,418,072
Credit institutions borrowings and deposits	6.2.	5,008,193	3,591,036
(a) Measured at amortised cost.....		5,008,193	3,591,036
(b) Measured at fair value through profit or loss		0	0

Borrowings and deposits	6.3.	95,337,975	104,404,013
(a) Measured at amortised cost		95,286,940	104,355,267
(b) Measured at fair value through profit or loss		51,036	48,746
Debt securities issued and other financial liabilities	6.4.	24,402,198	23,145,353
(a) Measured at amortised cost		16,068,804	15,116,744
(b) Measured at fair value through profit or loss		8,333,394	8,028,609
Unit linked products insurance activities		3,813,059	4,245,672
Derivatives	5.6	18,310,156	14,018,729
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6	373,447	45,766
Provisions for insurance activities	6.5	12,659,377	12,191,017
Provisions and contingent liabilities	6.6	624,107	529,173
Subordinated debts	6.7	1,150,681	1,642,749
(a) Measured at amortised cost		1,150,681	1,642,749
(b) Measured at fair value through profit or loss		0	0
Tax liabilities	5.11	84,660	49,183
(a) Current tax liabilities		68,470	41,682
(b) Deferred tax liabilities		16,190	7,502
Other liabilities	6.8	1,320,664	1,377,031
Liabilities included in disposal group and discontinued operations		0	0
Total Liabilities		**177,258,036**	**180,657,795**

	Notes	**31 December 2020**	**31 December 2021**
Equity		*(in thousands of EUR)*	
Subscribed capital		3,458,066	3,458,066
Additional paid-in capital		209,232	209,232
Treasury shares		0	0
Reserves and retained earnings		5,616,576	5,957,910
Net income for the period		531,615	934,964
Shareholders' Core Equity		**9,815,490**	10,560,172

Fair value changes of debt instruments measured at fair value through other comprehensive income		213,853	108,559
Fair value changes of equity instruments measured at fair value through other comprehensive income		121,161	179,153
Fair value changes due to own credit risk on financial liabilities designated as at fair value through profit or loss to be presented in other comprehensive income.....		0	0
Fair value changes of derivatives following cash flow hedging		(68,761)	(98,352)
Remeasurement pension plans		69,161	132,290
Discretionary participation features of insurance contracts	6.5	57,552	81,096
Other reserves		208	208
Gains and losses not recognised in the statement of income.....		**393,173**	402,953
Total shareholders' equity		**10,208,663**	10,963,126
Additional Tier-1 instruments included in equity		497,083	497,083
Non-controlling interests		27,651	32,539
Total equity		**10,733,397**	11,492,748
Total liabilities and equity		**187,991,433**	**192,150,543**

Belfius Bank's Audited Consolidated Statement of Income

	Notes	31 December 2020	31 December 2021
		(in thousands of EUR)	
Interest income	7.1.	3,352,799	3,357,376
Interest expense	7.1.	(1,361,293)	(1,356,009)
Dividend income	7.2.	50,265	72,853
Net income from equity method companies	7.3.	4,848	2,449
Net income from financial instruments at fair value through profit or loss	7.4.	24,086	24,973
Net income on investments and liabilities	7.5.	54,517	14,842
Fee and commission income	7.6.	810,261	942,249
Fee and commission expense	7.6.	(169,319)	(184,745)
Technical result from insurance activities	7.7	67,851	72,916
(a) Gross earned premiums		1,475,214	1,506,818
(b) Other technical income and charges		(1,407,363)	(1,433,902)
Other income	7.8.	217,989	240,869
Other expense	7.9.	(438,356)	(484,499)
Income		**2,613,649**	**2,703,276**
Staff expense	7.10.	(630,182)	(641,064)
General and administrative expense	7.11.	(471,136)	(482,642)
Network costs		(211,417)	(220,587)
Depreciation and amortisation of fixed assets	7.12.	(152,184)	(132,833)
Expenses		**(1,464,919)**	**(1,477,125)**
Gross operating income		**1,148,730**	**1,226,151**
Impairments on financial instruments and provisions for credit commitments	7.13.	(453,133)	1,361
Impairments on tangible and intangible assets	7.14.	(16,614)	(1,797)
Impairments on goodwill	7.15.	0	0
Net income before tax		**678,984**	**1,225,714**
Current tax (expense) income	7.16.	(228,428)	(234,998)
Deferred tax (expense) income	7.16.	81,069	(55,100)
Total tax (expense) income		**(147,360)**	(290,098)
Net income after tax		**531,624**	**935,617**
Discontinued operations (net of tax)		0	0
Net income		**531,624**	935,617

	Notes	31 December 2020	31 December 2021
		(in thousands of EUR)	
Attributable to non-controlling interests		9	653
Attributable to equity holders of the parent.....		531,615	934,964

SECTION 12
TAXATION

Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Pandbrieven under each Programme issued by the Issuer under the laws of their countries of citizenship, residence, ordinary residence or domicile.

The following is a general description of the Belgian withholding tax treatment in respect of the Pandbrieven issued by the Issuer under each Programme and of certain particular tax consequences for investors in respect of receiving interest, as well as purchasing or disposing of such Pandbrieven. It is of a general nature based on the Issuer's understanding of current law and practice and it is not intended to constitute a full description of all tax consequences for investors in respect of subscribing for, purchasing, holding, selling or converting the Pandbrieven. This general description is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date or which may have a retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should be aware that tax laws of the investor's own tax jurisdiction and of the Issuer's state of incorporation might have an impact on the income received from the Pandbrieven.

By nature, information on taxes on the income from the securities in a prospectus can only be generic, adding little informational value for the individual investor. Since such information is to cover not only the country of registered office of the issuer but also the countries where the offer is being made or admission to trading on a regulated market is being sought, where a prospectus is passported, it is costly to produce and might hamper cross-border offers. Therefore, the tax laws of the investor's jurisdiction and of the Issuer's jurisdiction of incorporation might have an impact on the income received from the securities. For the purpose of the summary below, a Belgian resident is, (a) an individual subject to Belgian personal income tax (i.e. an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident for Belgian tax purposes), (b) a legal entity subject to Belgian corporate income tax (i.e. a company that has its main establishment, its administrative seat or its seat of management in Belgium), or (c) a legal entity subject to Belgian legal entities tax (i.e. an entity, other than a legal entity subject to corporate income tax having its main establishment, its administrative seat or its seat of management in Belgium). A non-resident is a person who is not a Belgian resident**.**

Belgian Withholding Tax

(a) General

All payments by or on behalf of the Issuer of interest on the Pandbrieven are in principle subject to Belgian withholding tax at the current rate of 30 per cent. on the gross amount of the interest, subject to such relief as may be available under Belgian domestic law or applicable double tax treaties.

Under Belgian tax law, the following amounts are qualified and taxable as "interest" (i) the periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) if the Pandbrieven qualify as "fixed income securities" (in the meaning of Article 2, §1, 8° Belgian Income Tax Code), in case of a sale or realisation of the Pandbrieven between two interest payment dates to any third party, excuding the Issuer, the *pro rata* of accrued interest corresponding to the detention period. "Fixed income securities" are defined as bonds, specific debt certificates issued by banks (*kasbon/bon de caisse*) and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

(b) Belgian interest withholding tax exemption for certain holders of Dematerialised Pandbrieven (X/N withholding tax exemption)

Payments of interest and principal under the Dematerialised Pandbrieven by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Dematerialised Pandbrieven if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "**Eligible Investors**", see hereinafter) in an exempt securities account (an "**X-Account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the clearing system operated by the National Bank of Belgium (the "**NBB-SSS**" and the "**Securities Settlement System**"). Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD are directly or indirectly Participants for this purpose.

Holding the Dematerialised Pandbrieven through the Securities Settlement System enables Eligible Investors to receive the gross interest income on their Dematerialised Pandbrieven and to transfer the Dematerialised Pandbrieven on a gross basis.

Participants to the Securities Settlement System must enter the Dematerialised Pandbrieven which they hold on behalf of Eligible Investors in an X-Account.

Eligible Investors are those individuals or entities referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of and compensation for withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) (as amended from time to time) which include, *inter alia*:

(i) Belgian resident companies referred to in Article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*wetboek van inkomstenbelastingen 1992/code des impôts sur les revenus 1992*) ("**BITC**");

(ii) institutions, associations or companies specified in Article 2, §3 of the Law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of Article 262, 1° and 5° of the BITC;

(iii) state regulated institutions (*parastatalen/institutions parastatales*) for social security, or institutions which are assimilated therewith, provided for in Article 105, 2º of the Royal Decree of 27 August 1993 implementing the BITC 1992 (*koninklijk besluit tot uitvoering van het wetboek inkomstenbelastingen 1992/arrêté royal d'exécution du code des impôts sur les revenus 1992*);

(iv) non-resident savers whose holding of the Dematerialised Pandbrieven is not connected to a professional activity in Belgium, referred to in Article 105, 5º of the same decree;

(v) investment funds, recognised in the framework of pension savings, provided for in Article 115 of the same decree;

(vi) investors provided for in Article 227, 2º of the BITC which have used the Dematerialised Pandbrieven for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to Article 233 of the same code;

(vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with Article 265 of the BITC;

(viii) investment funds governed by foreign law which are an undivided estate managed by a management company for the account of the participants, provided the fund units are not publicly issued in Belgium nor traded in Belgium; and

(ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

If the holder of the Dematerialised Pandbrieven does not belong to, or ceases to belong to, one of the categories listed in Article 4 of the Royal Decree of 26 May 1994, as amended from time to time, its account with the clearing system organised by the clearer will be designated as a non-exempted securities account ("**N-Account**"), and, therefore, the holder of the Dematerialised Pandbrieven will be submitted to the withholding tax, of which the rate is currently 30 per cent.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or Belgian non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Participants to the Securities Settlement System must keep the Dematerialised Pandbrieven which they hold on behalf of the non-Eligible Investors in an N-Account. In such instance, all payments of interest are subject to the 30 per cent. withholding tax. This withholding tax is withheld by the NBB-SSS and paid to the Belgian Treasury.

Transfers of Dematerialised Pandbrieven between an X-Account and an N-Account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-Account (to an X-Account or N-Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB-SSS of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date;
- A transfer (from an X-Account or N-Account) to an N-Account gives rise to the refund by the NBB-SSS to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date; and
- Transfers of Dematerialised Pandbrieven between two X-Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X-Account for the holding of Dematerialised Pandbrieven, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a standard form approved by the Belgian Minister of Finance. This statement needs not be periodically reissued (although Eligible Investors must update their certification should their eligible status change). Participants to the Securities Settlement System are however required to annually report to the NBB-SSS as to the eligible status of each investor for whom they hold Dematerialised Pandbrieven in an X-account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Dematerialised Pandbrieven that the Intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Dematerialised Pandbrieven through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to central securities depositaries, as defined by Article 2, §1, (1) of Regulation (EU) No. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and

amending Directive 98/26/EC and 2014/65/EU and Regulation (EU) No. 236/2012, acting as Participants to the Securities Settlement System, provided that (i) they only hold X-Accounts, (ii) they are able to identify the holders for whom they hold Dematerialised Pandbrieven on such account and (iii) the contractual rules agreed upon by these central securities depositories acting as Participants include the contractual undertaking that their clients and account owners are all Eligible Investors.

Hence, these identification requirements do not apply to Dematerialised Pandbrieven held in Euroclear Bank, Clearstream Banking Frankfurt, SIX SIS, Euronext Securities Milan, Euroclear France SA, Euronext Securities Porto, LuxCSD as Participants to the Securities Settlement System, provided that (i) they only hold X-Accounts, (ii) they are able to identify the holders for whom they hold Dematerialised Pandbrieven in such account and (iii) the contractual rules agreed upon by these central securities depositories include the contractual undertaking that their clients and account owners are all Eligible Investors.

In accordance with the Securities Settlement System, a Noteholder who is withdrawing Dematerialised Pandbrieven from an X-Account will, following the payment of interest on those Dematerialised Pandbrieven, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Dematerialised Pandbrieven from the last preceding Interest Payment Date until the date of withdrawal of the Dematerialised Pandbrieven from the Securities Settlement System. As a condition of acceptance of the Dematerialised Pandbrieven into the Securities Settlement System, the Noteholders waive the right to claim such indemnity.

(c) Belgian interest withholding tax exemption for certain holders of Registered Pandbrieven

Payments of interest and principal by the Issuer under the Registered Pandbrieven (except Zero Coupon Pandbrieven and other Registered Pandbrieven which provide for the capitalisation of interest) may be made without deduction of withholding tax provided that the following conditions are cumulatively met (Article 107, §2, 5°, b) and 8°, and Article 118, §1, 1°, 2° and 3° of the Royal Decree of 27 August 1993 implementing the BITC):

(i) the Registered Pandbrieven are registered in the name of the Noteholder with the Issuer during the entire relevant Interest Period;

(ii) the Noteholder is the legal owner (*eigenaar/propriétaire*) or usufructuary (*vruchtgebruiker/usufruitier*) of Registered Pandbrieven in respect of which it is entitled to payment of interest, uninterruptedly for the entire relevant Interest Period;

(iii) the Noteholder is either (A) not resident for tax purposes in Belgium and does not use the income producing assets to exercise a business or professional activity in Belgium; or (B) a financial institution or institution which is assimilated therewith, provided for in Article 105, 1º of the Royal Decree of 27 August 1993 implementing the BITC; or (C) a state regulated institution (*parastatale/institution parastatale*) for social security, or institution which is assimilated therewith, provided for in Article 105, 2º of the Royal Decree of 27 August 1993 implementing the BITC; and

(iv) upon each interest payment, the Noteholder must provide the Issuer with an affidavit in which it is certified that the conditions mentioned in points (ii) and (iii) are complied with.

If Belgian withholding tax was levied by the Issuer further to non-compliance of condition (ii) above, then the transferor and/or the transferee belonging to category (A) or (C) (see condition (iii) above) has the right, subject to certain time limitations and provided for category (A) Noteholders condition (i) is fulfilled, to file a claim with the Belgian tax authorities to request a refund of Belgian withholding tax on the pro rata amount of interest attributable to them (Article 119, §1 of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code 1992).

Belgian income tax and capital gains

(a) Belgian resident individuals

For natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*personenbelasting/impôt des personnes physiques*) and who hold the Pandbrieven as a private investment, the withholding tax is a final tax and, consequently, the interest does not need to be declared in their annual income tax return, provided that withholding tax was effectively levied on these interest payments.

Belgian resident individuals can nevertheless opt to declare the interest in their annual income tax return, in which case the interest will be separately taxed at a rate of currently 30 per cent. (or, if it is more favorable, at the applicable progressive rates, taking into account the other income declared). In the event the interest is declared, the withholding tax may be credited against the final income tax liability in accordance with the usual conditions and any excess will in principle be refundable.

Capital gains realised on the sale of the Pandbrieven are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or are speculative in nature or unless and to the extent the capital gains qualify as interest (as defined in the section entitled "Belgian Withholding Tax – (a) General"). Capital losses realised upon the disposal of the Pandbrieven held as a non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Pandbrieven as a private investment.

(b) Belgian resident companies

Interest attributed or paid to corporate Noteholders who are Belgian residents for tax purposes, i.e. who are subject to the Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés)*, as well as capital gains realised upon the sale of the Pandbrieven are taxable at the ordinary corporate income tax rate of in principle 25 per cent. Subject to certain conditions, a reduced corporate income tax rate of 20 per cent. applies for small sized enterprises (as defined by Article 1:24, §1 to §6 of the Belgian Companies and Associations Code) on the first EUR 100,000 of taxable profits. Capital losses realised upon the sale of the Pandbrieven are in principle tax deductible.

Any Belgian interest withholding tax retained will generally, subject to certain conditions, be creditable against any corporate income tax due and the excess amount will be refundable.

Other tax rules apply to investment companies within the meaning of Article 185bis of the Belgian Income Tax Code.

(c) Belgian resident legal entities

For Belgian legal entities subject to the Belgian legal entities tax (*rechtspersonenbelasting/impôt des personnes morales*) which have been subject to withholding tax of currently 30 per cent on interest payments, such Belgian withholding tax generally constitutes the final taxation.

Belgian legal entities which have received interest income on (Dematerialised or Registered) Pandbrieven rightfully without deduction for or on account of Belgian withholding tax, are required to declare and pay the 30 per cent. withholding tax themselves to the Belgian tax authorities.

Capital gains realised on the sale of the Pandbrieven are in principle tax exempt, unless and to the extent the capital gains qualify as interest (as defined in section entitled "Belgian Withholding Tax – (a) General"). Capital losses are in principle not tax deductible.

(d) Organisation for Financing Pensions

Interest and capital gains derived from the Pandbrieven by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle not subject to Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, the Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

(e) Non-residents of Belgium

Dematerialised Pandbrieven

Noteholders who are not residents of Belgium for Belgian tax purposes and do not invest in Dematerialised Pandbrieven in the course of their Belgian professional activity will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Dematerialised Pandbrieven, provided that they qualify as Eligible Investors and that they hold their Dematerialised Pandbrieven in an X-account. If the Dematerialised Pandbrieven are not entered into an X-account by the Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 30 per cent., possibly reduced pursuant to a tax treaty, of the gross amount of the interest.

Registered Pandbrieven

Noteholders who are not residents of Belgium for Belgian tax purposes and who do not invest in the Registered Pandbrieven in the course of their Belgian professional activity will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Registered Pandbrieven, save, as the case may be, in the form of withholding tax.

Tax on stock exchange transactions

A tax on stock exchange transactions (*beurstaks/taxe sur les opérations de bourse*) will be levied on the purchase and sale in Belgium of the Pandbrieven on the secondary market through a professional intermediary established in Belgium. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.12 per cent. with a maximum amount of EUR 1,300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The acquisition of the Pandbrieven upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

Following the Law of 25 December 2016, the scope of application of the tax on stock exchange transactions has been extended as from 1 January 2017 in the sense that as from that date, transactions that are entered into or carried out by an intermediary that is not established in Belgium are considered to be entered into or carried out in Belgium if the order to execute the transaction is directly or indirectly given by either a natural person that has its habitual residence in Belgium or by a legal entity on behalf of an office or establishment in Belgium ("**Belgian Investor**"). In such a scenario, the tax on stock exchange transactions is due from the Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due), unless the Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*borderel/bordereau*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statement must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities ("**Stock Exchange Tax**

Representative"). Such Stock Exchange Tax Representative will then be liable towards the Belgian Treasury for the tax on stock exchange transactions due and for complying with the reporting obligations and the obligations relating to the order statement (*borderel/bordereau*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions. However, no tax on stock exchange transactions will be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126/1, 2° of the Code of various duties and taxes (*Wetboek Diverse Rechten en Taksen/Code des Droits et Taxes Divers*).

On 14 February 2013, the EU Commission published a proposal for a Directive for a common financial transaction tax ("**FTT**") (please see further below).

The proposed financial transactions tax ("FTT")

On 14 February 2013, the EU Commission adopted a proposal for a directive on a common financial transaction tax (the "**Financial Transaction Tax"** or "**FTT**"). The intention is for the Financial Transaction Tax to be implemented via an enhanced cooperation procedure in 11 participating EU member states (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia). In December 2015, Estonia withdrew from the group of states willing to introduce the FTT ("**the participating Member States**").

The proposed Financial Transaction Tax has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Pandbrieven (including secondary market transactions) in certain circumstances. The issuance and subscription of Pandbrieven (primary market transactions) should, however, be exempt. The Financial Transaction Tax shall not apply to (inter alia) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

Prospective holders of the Pandbrieven should consult their own tax advisers in relation to the consequences of the FTT associated with the subscription, purchase, holding or disposal of the Pandbrieven.

Tax on securities accounts

The law of 17 February 2021 (Belgian State Gazette of 25 February 2021) introduced an annual tax on securities accounts in articles 201/3 to 201/9/5 and 202 of the Code of various duties and taxes (*Wetboek Diverse Rechten en Taksen/Code des Droits et Taxes Divers*). The tax is levied annually at the rate of 0.15 per. cent on the average

value during the reference periode of accounts in excess of EUR 1,000,000. The reference period is a period of in principle 12 consecutive months beginning on 1 October and ending on 30 September of the next year.

The taxable objects of the tax are the "securities accounts" i.e. accounts on which financial instruments (as broadly defined by reference to regulatory provisions) may be credited or from which financial instruments can be debited, and:

(i) in the case of residents of Belgium and Belgian establishments of non-residents, as defined for income tax purposes, accounts with a Belgian or foreign intermediary; and

(ii) in the case of non-residents of Belgium, as defined for income tax purposes, accounts with a Belgian intermediary (provided the double tax treaty concluded with their country of residence allows such wealth taxation).

Each securities account is considered as a separate taxable object.

An "intermediary", defined by reference to regulatory provisions, includes the National Bank of Belgium, the European Central Bank and foreign central banks exercising similar functions, a central securities depository, a credit institution, a brokerage company or an investment firm, which under national law, is authorised to hold financial instruments on behalf of clients.

The tax applies to securities accounts as such and therefore in principle concerns all securities accounts, whoever the accountholder is (whether it is a natural person, company, legal entity, "legal arrangement"[33] or *de facto* association), whatever its tax residency status (whether it is resident or non-resident) and regardless of its legal rights in relation to the account (whether full ownership, bare ownership or usufruct).

The nature of the financial instruments held in the securities account is irrelevant - the only relevant factor is the total value of the securities accounts.

Belgian intermediaries under the meaning of article 201/3, 7° of the Code of various duties and taxes are liable for the withholding, the filing of the tax return and the payment of the tax. In the absence of a Belgian intermediary, the account holder will be liable for the filing of the tax return and payment of the tax.

Belgian law provides for exemptions in order to prevent repeated double taxation, notably in respect of chains of depositories.

Prospective investors are strongly advised to seek their own professional advice in relation to the tax on securities accounts.

Exchange of Information – Common Reporting Standard ("CRS")

The exchange of information is governed by the Common Reporting Standard ("**CRS**") in addition to the U.S. Foreign Account Tax Compliance Act ("**FATCA**") with respect to U.S. persons.

CRS requires financial institutions to identify and report the tax residency and account details of non-resident customers to the relevant authorities in CRS-compliant jurisdictions. As of 28 July 2022, 117 jurisdictions - including Belgium- had signed the multilateral competent authority agreement ("**MCAA**"), which is a multilateral framework agreement to automatically exchange financial and personal information, with the

[33] Legal arrangement in the meaning of article 2, §1er, 13° of the BITC.

subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (incl. trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU member states adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU. The Belgian government has implemented said Directive 2014/107/EU, respectively the Common Reporting Standard, per law of 16 December 2015 (*"Wet tot regeling van de mededeling van inlichtingen betreffende financiële rekeningen, door de Belgische financiële instellingen en de FOD Financiën in het kader van een automatische uitwisseling van inlichtingen op internationaal niveau en voor belastingdoeleinden/Loi réglant la communication des renseignements relatifs aux comptes financiers, par les institutions financières belges et le SPF Finances, dans le cadre d'un échange automatique de renseignements au niveau international et à des fins fiscales"*) ("**Law of 16 December 2015**").

The Pandbrieven are subject to CRS. Under DAC2 and the Law of 16 December 2015 Belgian financial institutions holding the Pandbrieven for tax residents in another CRS contracting state, shall report financial information regarding the Pandbrieven (income, gross proceeds, …) to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

DAC6

The measures included in EU Directive 2011/16 after amendment by EU Directive 2018/822 (commonly referred to as "**DAC6**") impose mandatory disclosure requirements for taxpayers and intermediaries involving the reporting of cross-border arrangements affecting at least one EU member state that fall within one of a number of 'hallmarks'. These hallmarks are broad categories setting out particular characteristics identified as potentially indicative of aggressive tax avoidance. Certain hallmarks may only be taken into account if they meet the "main benefit test", i.e. where a tax benefit is the main or one of the main objectives of the arrangement. The Law of 20 December 2019 (*Wet tot omzetting van Richtlijn (EU) 2018/822 van de Raad van 25 mei 2018 tot wijziging van Richtlijn 2011/16/EU wat betreft verplichte automatische uitwisseling van inlichtingen op belastinggebied met betrekking tot meldingsplichtige grensoverschrijdende constructies/Loi transposant la Directive (UE) 2018/822 du Conseil du 25 mai 2018 modifiant la Directive 2011/16/UE en ce qui concerne l'échange automatique et obligatoire d'informations dans le domaine fiscal en rapport avec les dispositifs transfrontières devant faire l'objet d'une déclaration*) which mirrors the Directive, was published in the Belgian State Gazette in Belgium on 30 December 2019. The reporting obligations apply to 'intermediaries' (financial institutions like the Issuer may fall under this term) or, in some circumstances, the taxpayer itself. There is a mandatory automatic exchange of information on such reportable cross-border schemes via the Common Communication Network (CCN) between the member states. Under DAC6, taxpayers and intermediaries are required to report cross-border reportable arrangements to the domestic tax authorities from 1 July 2020 (within a thirty-day turnaround period).

US foreign account tax compliance act withholding

In certain very exceptional circumstances the Issuer, the Fiscal Agent and certain other entities through which payments on the Pandbrieven are made might be required to withhold U.S. tax at a rate of 30 per cent. on a portion of interest payments made in respect of Pandbrieven that would be treated as debt for U.S. federal tax purposes, pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code and the regulations and other guidance promulgated thereunder ("**FATCA**").

Under FATCA, non -U.S. financial institutions generally will be required to enter into agreements with the U.S. Internal Revenue Service (the "**IRS**") to identify financial accounts held by certain U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. For these purposes, the term financial institution includes, among others, banks, insurance companies and funds that are engaged primarily in the business of investing, reinvesting or trading in securities, commodities or partnership interests. If a participating financial institution makes a relevant payment to an accountholder that has not provided information requested to establish the accountholder is exempt from reporting under the rules, or if the recipient of the payment is a non-participating financial institution (that is not otherwise exempt), the payor might be required to withhold 30% on a portion of the payment which is or is deemed to be from U.S. source. However, the IRS is further considering the treatment of these so called foreign pass-through payments and it is uncertain whether and how this rule will ultimately apply to the Issuer or the Pandbrieven.

If the Issuer or one of its agents were required to withhold any amount from any payment on the Pandbrieven in respect of FATCA, there will be no "gross up" (or any other additional amount) payable by way of compensation to the investor for the withheld amount. An investor that is able to claim the benefits of an income tax treaty between its own jurisdiction and the United States may be entitled to a refund of amounts withheld pursuant to the FATCA rules, though the investor would have to file a U.S. tax return to claim this refund and may not be entitled to interest from the IRS for the period prior to the refund.

On 23 April 2014, the Belgian and U.S. governments signed an Intergovernmental Agreement ("**IGA**") intended to implement FATCA in Belgium. The Belgian IGA is a so-called Model 1 agreement, meaning that foreign financial institutions established in Belgium will be required to report information on U.S. accountholders directly to the Belgian tax authorities, who in turn will report to the IRS. The Belgian IGA is intended to simplify FATCA requirements for Belgian financial institutions but in many cases still requires significant efforts to maintain compliance.

Belgium has implemented FATCA in its domestic legislation by a law of 16 december 2015 (*"Wet tot regeling van de mededeling van inlichtingen betreffende financiële rekeningen, door de Belgische financiële instellingen en de FOD Financiën in het kader van een automatische uitwisseling van inlichtingen op internationaal niveau en voor belastingdoeleinden/Loi réglant la communication des renseignements relatifs aux comptes financiers, par les institutions financières belges et le SPF Finances, dans le cadre d'un échange automatique de renseignements au niveau international et à des fins fiscales"*) Under this law, Belgian financial institutions holding Pandbrieven for "US accountholders " and for "U.S. owned passive Non Financial Foreign entities" are held to report financial information regarding the Pandbrieven (income, gross proceeds,…) to the Belgian competent authority, who shall communicate the information to the U.S. tax authorities.

FATCA is particularly complex and its application to the Issuer or the Pandbrieven issued is uncertain at this time. Each holder of Pandbrieven should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its specific circumstance, in particular if it may be, or hold its interest through an entity that is, classified as a financial institution under FATCA.

SECTION 13
SUBSCRIPTION AND SALE

Pursuant to respectively (i) the distribution agreement initially dated 8 November 2012 between the Issuer, the MP Dealers and the MP Arranger (as amended, supplemented, replaced and/or restated from time to time the "**MP Distribution Agreement**") and subject to the conditions contained therein (in case of the Mortgage Pandbrieven) and (ii) the distribution agreement initially dated 15 July 2014 between the Issuer, the PP Dealers and the PP Arranger (as amended, supplemented, replaced and/or restated from time to time the "**PP Distribution Agreement**", and together with the MP Distribution Agreement, each a "**Distribution Agreement**") and subject to the conditions contained therein (in case of the Public Pandbrieven), the MP Dealers and PP Dealers, as applicable (hereafter referred to as the "**Dealers**") have agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Pandbrieven under respectively the Mortgage Pandbrieven Programme and the Public Pandbrieven Programme. The Pandbrieven issued under each Programme may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. Each Distribution Agreement also provides that Pandbrieven to be issued in syndicated Tranches may be jointly and severally underwritten by two or more Dealers.

The Issuer may pay each relevant Dealer a commission in respect of Pandbrieven subscribed by them. The Issuer has agreed to reimburse the Dealers for certain of their activities in connection with the relevant Programme. The commissions (if any) in respect of an issuance of Pandbrieven on a syndicated basis will be stated in the applicable subscription agreement.

The Issuer has agreed to indemnify the Dealers against certain liabilities relating to any misrepresentation or breach of any of the representations, warranties or agreements of the Issuer in connection with the offer and sale of the Pandbrieven under the relevant Programme. Each Distribution Agreement entitles the relevant Dealers to terminate any agreement that they make to subscribe Pandbrieven in certain circumstances prior to payment for such Pandbrieven being made to the Issuer.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. If any of the Dealers or their affiliates has a lending relationship with the Issuer, certain of the Dealers or their affiliates routinely hedge, and certain other of those Dealers or their affiliates may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Pandbrieven issued under each Programme. Any such short positions could adversely affect future trading prices of Pandbrieven issued under the relevant Programme(s). The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

United States

The Pandbrieven under each Programme have not been approved or disapproved by the U.S.Securities and Exchange Commission, any state securities commission in the United States or any other U.S.regulatory

authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Pandbrieven under each Programme or the accuracy or the adequacy of this Base Prospectus.

The Pandbrieven under each Programme have not been or will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**") or with any securities regulatory authority of any State or other jurisdiction of the United States. Accordingly, the Pandbrieven under each Programme may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under each Programme will be required to represent and agree, that, except as permitted by the relevant Distribution Agreement, it has not offered or sold and will not offer or sell the Pandbrieven of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 calendar days after completion of the distribution of such Tranche within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Pandbrieven during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Pandbrieven within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Pandbrieven are being offered and sold outside the United States to non -U.S. persons in reliance on Regulation S under the Securities Act.

In addition, until 40 calendar days after the commencement of the offering, an offer or sale of Pandbrieven within the United States by any dealer may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Pandbrieven under each Programme outside the United States. The Issuer and the Dealers under each Programme reserve the right to reject any offer to purchase the Pandbrieven, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non -U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure of its contents, without the prior written consent of the Issuer to any such U.S. person or other person within the United States is prohibited.

Prohibition of sales to consumers in Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under each Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Pandbrieven in Belgium to "consumers" (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended.

Prohibition of sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under each Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Pandbrieven which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

(ii) a customer within the meaning of Directive 2016/97/EU ("IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Pandbrieven to be offered so as to enable an investor to decide to purchase or subscribe the Pandbrieven.

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under each Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Pandbrieven under the relevant Programme which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of EUWA; or

(ii) a customer within the meaning of the provisions of the UK FSMA 2000 and any rules or regulations made under the UK FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Pandbrieven to be offered so as to enable an investor to decide to purchase or subscribe for the Pandbrieven.

Public Offer Selling Restriction Under the Prospectus Regulation

In relation to each member state of the EEA and the UK (each a "**Relevant State**"), each of the Dealers under each Programme has represented and agreed, and each further Dealer appointed under each Programme will be required to represent and agree, that, it has not made and will not make an offer of Pandbrieven which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant final terms in relation thereto to the public in that Relevant State, except that it may make an offer of such Pandbrieven to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Pandbrieven to the public**" in relation to any Pandbrieven in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Pandbrieven to be offered so as to enable an investor to decide to purchase or subscribe for the Pandbrieven.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under each Programme will be required to represent and agree, that:

(a) in relation to any Pandbrieven which have a maturity of less than one year from the date of issuance, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Pandbrieven other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issuance of the Pandbrieven would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**UK FSMA 2000**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK FSMA 2000) received by it in connection with the issuance or sale of any Pandbrieven in circumstances in which Section 21(1) of the UK FSMA 2000 does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the UK FSMA 2000 with respect to anything done by it in relation to any Pandbrieven in, from or otherwise involving the United Kingdom.

Belgium

Registered Pandbrieven may not be acquired by a Belgian or foreign transferee who is not subject to income tax or who is, as far as interest income is concerned, subject to a tax regime that is deemed by the Belgian tax authorities to be significantly more advantageous than the common Belgian tax regime applicable to interest income (within the meaning of Articles 54 and 198, §1, 11° of the Belgian Income Tax Code 1992) or who is resident or established in a tax haven country or a low-tax jurisdiction (within the meaning of Article 307 of the Belgian Income Tax Code 1992).

The Netherlands

The Pandbrieven (or any interest therein) are not and may not, directly or indirectly, be offered, sold, pledged, delivered or transferred in the Netherlands, on their issue date or at any time thereafter, and neither this Base Prospectus nor any other document in relation to any offering of the Pandbrieven (or any interest therein) may be distributed or circulated in the Netherlands, other than to qualified investors as defined in the Prospectus Regulation (as defined under "Public Offer Selling Restriction Under the Prospectus Regulation" above), provided that these parties acquire the Pandbrieven for their own account or that of another qualified investor.

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Pandbrieven in Switzerland. The Pandbrieven may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Federal Financial Services Act ("**FinSA**") and no application has or will be made to admit the Pandbrieven to trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Pandbrieven constitutes

a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Pandbrieven may be publicly distributed or otherwise made publicly available in Switzerland.

Japan

The Pandbrieven have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under each Programme will be required to represent and agree that it has not, directly or indirectly offered, or sold and will not, directly or indirectly, offer or sell any Pandbrieven in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Law No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under each Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under each Programme will be required to represent, warrant and agree, that it has not offered or sold any Pandbrieven or caused the Pandbrieven to be made the subject of an invitation for subscription or purchase and will not offer or sell any Pandbrieven or cause the Pandbrieven to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Pandbrieven, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant Insert 2018-12 A13a-6 ICMA Primary Market Handbook person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Pandbrieven are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Pandbrieven pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Canada

The Pandbrieven may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Pandbrieven must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers in the relevant Programme. Any such modification will be set out in the applicable Final Terms issued in respect of the issuance of Pandbrieven to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Pandbrieven, or possession or distribution of this Base Prospectus or any other offering material or any applicable Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer under each Programme has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Pandbrieven under the relevant Programme or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms in all cases at its own expense.

SECTION 14
GREEN BOND FRAMEWORK

In relation to Green Bonds, the Green Bond Framework is structured in compliance with the Green Bond Principles published by the International Capital Markets Association in its 2018 edition (the "**Green Bond Principles**") and is available on the Issuer's website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-bonds). It may be further updated or expanded, among other things to reflect updates to the Taxonomy Regulation and the EU Green Bond Standards and evolutions in the activities of the Issuer. The Green Bond Framework sets out categories of Eligible Green Assets which have been identified by the Issuer.

The Issuer has not updated its Green Bond Framework in line with the ICMA Green Bond Principles (2021) as there is no obligation for the Issuer to do so. The differences between the ICMA Green Bond Principles (2018) and the ICMA Green Bond Principles (2021) are non-material. The 2021 edition of the Green Bond Principles recommends heightened transparency for issuer-level sustainability strategies and commitments, and encourages information, if relevant, on the degree of alignment of projects with official or market-based taxonomies. Further, it provides guidance on issuer processes to identify mitigants to known material risks of negative social and/or environmental impacts. It also contains additional clarifications and updates relating to recommended market practice and references to complementary guidance included in other ICMA documents.

The Issuer has appointed Sustainalytics to provide a second party opinion (the "**Second Party Opinion**") on the Green Bond Framework who has verified and confirmed the sustainability of the Green Bond Framework and alignment of it with the Green Bond Principles. This Second Party Opinion is available on the Issuer's website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-bonds). The Second Party Opinion does not form part of, and is not incorporated by reference into, the Base Prospectus.

The Issuer publishes annual reports on its website detailing:

- the allocation of proceeds; and
- the environmental impact of the green portfolio of the Issuer.

The Issuer has also appointed an external auditor providing a limited assurance report of the allocation of the Green Bonds proceeds to its green portfolio (as described in the Issuer's Green Bond Framework). The limited assurance report is available on the Issuer's website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-bonds).

The reports will not form part of, and will not be incorporated by reference into, the Base Prospectus.

Prior to any investment in Green Bonds, investors are advised to consult the Green Bond Framework for further information. Furthermore, investors should have regard to the factors described under the section headed "*Risk Factors*" in the Base Prospectus, in particular the risk factor entitled "*Risks related to Green Bonds which have a particular use of proceeds identified in the applicable Final Terms*".

Neither the Issuer nor the Dealers nor the Arranger under the relevant Programme make any representation as to whether any Green Bonds fulfil the relevant present or future environmental and sustainability criteria or guidelines with which an investor or its investments is or are required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Green Bond Framework and/or any relevant Eligible Green Assets.

No representation or assurance is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with each issue of any Green Bonds, including the Second Party Opinion.

SECTION 15
GENERAL INFORMATION

1. Application has been made to Euronext Brussels for (i) Mortgage Pandbrieven issued under the Mortgage Pandbrieven Programme under the Base Prospectus, and (ii) Public Pandbrieven issued under the Public Pandbrieven Programme under the Base Prospectus, to be listed and to be admitted to trading on Euronext Brussels' regulated market.

2. The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issuance of the Mortgage Pandbrieven and the Public Pandbrieven. The Mortgage Pandbrieven Programme was initially authorised by a resolution of the Management Board of the Issuer passed on 7 November 2012. The last update of the Mortgage Pandbrieven Programme was authorised by a resolution of the Management Board of the Issuer passed on 28 July 2021. The Public Pandbrieven Programme was initially authorised by a resolution of the Management Board of the Issuer passed on 1 July 2014. The last update of the Public Pandbrieven Programme was authorised by a resolution of the Management Board of the Issuer passed on 28 July 2021.

3. The Issuer is licensed as a Belgian credit institution.

4. Save as disclosed in the Section "*Description of the Issuer*" on pages 219 to 266 of this Base Prospectus, there has been no material adverse change in the prospects of the Issuer on a consolidated basis since 31 December 2021. In addition, other than as disclosed in the section headed "*Description of the Issuer*" on pages 219 to 266, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for the current financial year.

5. Save as disclosed in Section 11.6 "*Non-adjusting post-balance sheet events*" on page 229 of this Base Prospectus, there has been no significant change in the financial position or the financial performance of the Issuer since 30 June 2022.

6. Except as disclosed under the Section "*Description of the Issuer*" on pages 219 to 266 of this Base Prospectus, neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past significant effects, on the financial position or profitability of the Issuer or any of its subsidiaries.

7. Dematerialised Pandbrieven have been accepted for clearance through the Securities Settlement System operated by the National Bank of Belgium. The Common Code, the International Securities Identification Number (ISIN), the Classification of Financial Instruments (CFI) and the Financial Instrument Short Name (FISN) (and any other relevant identification number for any Alternative Clearing System) for a Series of Pandbrieven will be set out in the applicable Final Terms.

8. As at the date of this Base Prospectus, the address of the National Bank of Belgium (the operator of the Securities Settlement System) is Boulevard de Berlaimont 14, B-1000 Brussels, Belgium. The address of any Alternative Clearing System will be specified in the applicable Final Terms.

9. As at the date of this Base Prospectus, there are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Pandbrieven being issued.

10. In accordance with Article 15/1 of Annex III of the Banking Law and Article 12 of the Covered Bonds Royal Decree, the Issuer will publish monthly Investor Reports, which will contain information regarding the Pandbrieven and the relevant Cover Assets in relation to the preceding month, including *inter alia*:

    a. value of the relevant Special Estate and the relevant Pandbrieven;

    b. for each issuance, the ISIN of the relevant Pandbrieven, currency, outstanding amount, issue date, Maturity Date (or Extended Maturity Date, as the case may be), coupon characteristics and percentage;

    c. type of Cover Assets, geographical spread of security interests or, in case there are no security interest, of residence or seat of debtors;

    d. further details on the management of market risks, credit risks and liquidity risks;

    e. maturity matching between relevant Cover Assets and relevant Pandbrieven;

    f. the result of the Statutory Tests, including amounts of elements taken into account for the tests;

    g. composition of the Liquidity Buffer and description of the assets that make up the Liquidity Buffer;

    h. composition and details of the Cover Assets;

    i. percentage of receivables in arrears for more than 30 days (but not in default in accordance with Article 178 CRR).

    Such reports will be available to the prospective investors in the relevant Pandbrieven and to the holders of such Pandbrieven on the website of the Issuer at www.belfius.be. This website and the information contained thereon does not form part of this Base Prospectus and has not been scrutinised nor approved by the FSMA. The Investor Reports are not incorporated in and do not form part of this Base Prospectus and they have not been and will not be scrutinised nor approved by the FSMA.

11. Copies of (i) the annual report and audited annual accounts of the Issuer for the years ended 31 December 2020 and 31 December 2021, including the reports of the statutory auditors in respect thereof, (ii) the Half-Yearly Report 2022 and unaudited accounts of the Issuer for the period ended 30 June 2022, and (iii) copies of this Base Prospectus and any supplements and each Final Terms of listed tranches may be obtained at the specified offices of the Issuer and each of the Paying Agents under each Programme during normal business hours for the period of 12 months following the date of this Base Prospectus. The MP Programme Agreement, the MP Agency Agreement and the MP Noteholders' Representative Agreement (in respect of the MP Programme), the PP Programme Agreement, the PP Agency Agreement and the PP Noteholders' Representative Agreement (in respect of the PP Programme) and the Articles of Association of the Issuer will be available, during normal business hours on any Business Day, for inspection by the MP/PP Noteholders at the specified offices of the Issuer and each of the Paying Agents under each Programme for the period of 12 months following the date of this Base Prospectus. Copies of such Agreements may also be requested at the e-mail address which will be specified on the Issuer's website (www.belfius.be).

12. This Base Prospectus and the relevant Final Terms of Tranches listed on Euronext Brussels and all documents that have been incorporated by reference will be available on the Issuer's website (www.belfius.be).

13. The audit of Belfius Bank's financial statements was conducted by KPMG Reviseurs d'Entreprises SRL, represented by Olivier Macq and Kenneth Vermeire (members of *IBR – IRE Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*) in relation to the audit of the consolidated financial statements of Belfius for the financial years ended 31 December 2020 and 31 December 2021. They have

rendered an unqualified audit report on the financial statements of Belfius Bank for the financial years ended 31 December 2020 and 31 December 2021.

14. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and their respective affiliates in the ordinary course of business.

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