

EUR 10 Billion Public Pandbrieven Programme

Reporting Date :

Reporting Date:	31/12/2015
Date of Previous Report:	30/11/2015

Contact Details :

Head of Treasury

Jean-François Deschamps +3222226941 jean-francois.deschamps@belfius.be

Long Term Funding (new issues and investor contact)

Ellen Van Steen +3222227064 ellen.vansteen@belfius.be

Christine Lepage +3222227028 christine.lepage@belfius.be

Asset Based Solutions (cover pool and programme management)

Bart Verwaest +3222227083 bart.verwaest@belfius.be

Carol Wandels +3222227018 carol.wandels@belfius.be

Peter Degroote +3222227122 peter.degroote@belfius.be

Gleb Lanine +3222227079 gleb.lanine@belfius.be

Noteholders' Representative

Stichting Belfius Public Pandbrieven Noteholders' Representative

Prins Bernhardplein 200

1097 JB Amsterdam

The Netherlands

Website :

<https://www.belfius.com/EN/debt-issuance/Belgian-public-pandbrieven-programme/index>

Remark :

The investor report is provided in pdf and excel-format.

The excel-format has been provided for information purposes only and in case of contradiction between the pdf and excel-format, the pdf-format will prevail.

Outstanding Series

Series	ISIN	Currency	Outstanding Amount	Issue Date	Maturity Date	Coupon Type	Coupon	Day Count	Next Interest Payment Date	Extended Maturity Date	Remaining Average Life *
1	BE0002477520	EUR	1,250,000,000	14/10/2014	14/10/2021	Fixed	0.625%	ACT/ACT	14/10/2016	14/10/2022	5.79
2	BE0002480557	EUR	500,000,000	27/11/2014	27/11/2019	Fixed	0.375%	ACT/ACT	28/11/2016	27/11/2020	3.91
3	BE0002236066	EUR	50,000,000	28/07/2015	28/07/2034	Fixed	1.657%	ACT/ACT	28/07/2016	28/07/2035	18.59

* At the Reporting Date until Maturity Date

Totals

Total Outstanding (in EUR) :	1,800,000,000
Current Weighted Average Fixed Coupon :	0.584%
Weighted Average Remaining Average Life : *	5.63

* At the Reporting Date until Maturity Date

Belfius Bank Senior Unsecured Ratings

	Long Term Rating	Outlook	Short Term Rating
Standard and Poor's	A-	Negative	A-2
Moody's	Baa1	Positive	P-2
Fitch	BBB+	Positive	F2

Belfius Public Pandbrieven Ratings

	Rating	Outlook
Standard and Poor's	AAA	Stable
Moody's	Aaa	

Test Summary

(all amounts in EUR unless stated otherwise)

1. Outstanding Public Pandbrieven and Cover Assets

Outstanding Public Pandbrieven:	1,800,000,000	(i)
Nominal Balance Public Sector Exposures	2,541,731,353	(ii)
-Public Sector Exposure except Liquid Bonds	2,533,131,353	(iia)
-Liquid Bonds	8,600,000	(iib)
Nominal Balance Financial Institution Exposures	0	(iii)
Nominal OC Level [(ii)+(iii)/(i) - 1	41.21%	

2. Public Assets Cover Test

Value of the Public Assets (as defined in Royal Decree Article 6 § 2):	2,543,510,268	(iv)
-Public Sector Exposure except Liquid Bonds	2,533,131,353	(iva)
-Liquid Bonds	10,378,915	(ivb)
Ratio Value of the Public Assets / Public Pandbrieven Issued (iv)/(i):	141.31%	
--> Cover Test Royal Decree Article 5 § 1 (> 85%)	Pass	
--> Issue Covenant (iv) Prospectus (> 105%)	Pass	

3. Total Asset Cover Test

Value of Public Sector Exposures (definition Royal Decree):	2,543,510,268	(iv)
Value of Financial Institution Exposures (definition Royal Decree):	0	(v)
Ratio Value of all Cover Assets / Public Pandbrieven Issued [(iv)+(v)]/(i):	141.31%	
--> Cover Test Royal Decree Article 5 § 2 (>105%)	Pass	

4. Interest and Principal Coverage Test

Interest Proceeds Cover Assets:	721,942,658	(vi)
<i>Total Interest Proceeds Public Sector Exposures:</i>	721,942,658	
<i>Total Interest Proceeds Financial Institution Exposures:</i>	0	
<i>Impact Derivatives:</i>	0	
Principal Proceeds Cover Assets:	2,541,731,353	(vii)
<i>Total Principal Proceeds Public Sector Exposures:</i>	2,541,731,353	
<i>Total Principal Proceeds Financial Institution Exposures:</i>	0	
<i>Impact Derivatives:</i>	0	
Interest Requirement Covered Bonds:	70,116,500	(viii)
Costs, Fees and Expenses Related to Covered Bonds:	222,952,810	(ix)
Principal Requirements Covered Bonds:	1,800,000,000	(x)
Total Surplus (+) / Deficit (-) (vi)+(vii)-(viii)-(ix)-(x)	1,170,604,700	
--> Cover Test Royal Decree Article 5 § 3 (Amortisation Test)	Pass	

5. Liquidity Tests

Cumulative Cash Inflow Next 180 Days	173,338,901.95 (xi)
Cumulative Cash Outflow Next 180 Days	-3,354,100.80 (xii)
Liquidity Surplus (+) / Deficit (-) (xi)+(xii)	169,984,801.16

--> *Liquidity Test Royal Decree Article 7 §1* *Pass*

Market-to-Market Liquid Bonds minus ECB Haircut	12,429,146.90 (xiii)
Interest Payable on Public Pandbrieven next 6 months	0.00 (xiv)
Excess Coverage Interest Public Pandbrieven by Liquid Bonds	12,429,146.90 (xv)

--> *Issuer Covenant (vii) Prospectus ((xv) > 0)* *Pass*

Cover Pool Summary

Portfolio Cut-off Date

31/12/2015

1. Public Finance Assets

See Stratification Tables Public Sector Assets for more details.

All Public Sector Assets are euro denominated.

Outstanding Balance of Public Sector Assets at the Cut-off Date	2,533,131,353.05
Principal Redemptions between Cut-off date and Reporting Date	0.00
Interest Payments between Cut-off Date and Reporting Date	0.00
Number of borrowers	985
Number of loans	32,627
Average Outstanding Balance per borrower	2,571,706.96
Average Outstanding Balance per loan	77,639.11
Weighted average seasoning (in months)	67.85
Weighted average remaining maturity (in years, at 0% CPR)	13.37
Weighted average initial maturity (in years, at 0% CPR)	19.07
Remaining average life (in years, at 0% CPR)	7.47
Remaining average life (in years, at 1% CPR)	7.12
Remaining average life (in years, at 3% CPR)	6.37
Remaining average life (in years, at 5% CPR)	5.74
Remaining average life to interest reset (in years, at 0% CPR)	7.47
Percentage of Fixed Rate Loans	100.00%
Percentage of Resettable Rate Loans	0.00%
Weighted average interest rate	3.523%
Weighted average interest rate Fixed Rate Loans	3.523%
Weighted average interest rate Resettable Rate Loans	0.000%

2. Registered Cash

Registered Cash Proceeds under the Public Sector Exposures	40,731,954.12
--	---------------

3. Liquid Bonds

	Position 1	Position 2
Isin Code	BE0000291972	BE0000291972
Issuer Name	KINGDOM OF BELGIUM	KINGDOM OF BELGIUM
Series Number	OLO 31	OLO 31
Currency	EUR	EUR
Nominal Amount	7,600,000.00	1,000,000.00
Issue Date	26/02/1998	26/02/1998
Maturity Date	28/03/2028	28/03/2028
Coupon Type	Fixed	Fixed
Coupon	5.5000%	5.5000%
ECB Haircut	5.0000%	5.0000%
Standard & Poor's Rating	AA	AA
Fitch Rating	AA	AA
Moody's Rating	Aa3	Aa3
Mark-to-Market Value	11,561,997.12	1,521,315.41
Accounting Value	9,172,064.00	1,206,850.53

4. Derivatives

None

Stratification Tables Public Assets

Borrower Type

Type	Balance in EUR	
Intermunicipal Entity	275,479,001.30	10.88%
Mono Municipal Police Zone	11,440,357.71	0.45%
Multi Municipal Police Zone	57,388,894.22	2.27%
Municipal Entity	16,145,290.88	0.64%
Municipality	1,321,390,948.60	52.16%
Province	133,252,433.29	5.26%
Public Centre for Social Welfare	464,549,372.84	18.34%
Public Hospital	253,485,054.21	10.01%
	2,533,131,353.05	100.00%

Geographic distribution

Province	Balance in EUR	
Antwerpen	267,013,887.61	10.54%
Brabant Wallon	117,693,989.76	4.65%
Brussel	321,590,747.02	12.70%
Hainaut	252,656,272.13	9.97%
Liege	246,061,549.16	9.71%
Limburg	277,418,888.54	10.95%
Luxembourg	93,767,936.23	3.70%
Namur	159,202,765.17	6.28%
Oost-Vlaanderen	277,442,914.00	10.95%
Vlaams Brabant	241,651,667.24	9.54%
West-Vlaanderen	278,630,736.19	11.00%
	2,533,131,353.05	100.00%

Region	Balance in EUR	
Brussels	321,590,747.02	12.70%
Flanders	1,342,158,093.58	52.98%
Wallonia	869,382,512.45	34.32%
	2,533,131,353.05	100.00%

Borrower Concentration

Obligor	Type	Balance in EUR	
1	Province	24,889,470.55	0.98%
2	Public Hospital	24,887,233.46	0.98%
3	Public Hospital	24,708,785.77	0.98%
4	Public Hospital	24,600,881.77	0.97%
5	Province	24,600,135.94	0.97%
6	Province	24,515,197.95	0.97%
7	Intermunicipal Entity	24,051,020.84	0.95%
8	Municipality	23,994,472.46	0.95%
9	Intermunicipal Entity	23,550,000.00	0.93%
10	Intermunicipal Entity	22,383,272.59	0.88%
		242,180,471.33	9.56%

Distribution of Outstanding Loan Balance		average		
in EUR	Balance in EUR	2,569,099	Number of Clients	
0.99 - 1,500,000	237,417,572.78	9.37%	612	62.13%
1,500,000 - 3,000,000	298,073,569.77	11.77%	136	13.81%
3,000,000 - 4,500,000	272,746,957.59	10.77%	74	7.51%
4,500,000 - 6,000,000	248,242,535.77	9.80%	49	4.97%
6,000,000 - 7,500,000	168,534,098.38	6.65%	25	2.54%
7,500,000 - 9,000,000	135,572,390.47	5.35%	16	1.62%
9,000,000 - 10,500,000	116,753,557.73	4.61%	12	1.22%
10,500,000 - 12,000,000	79,074,056.46	3.12%	7	0.71%
12,000,000 - 13,500,000	101,641,477.29	4.01%	8	0.81%
13,500,000 - 15,000,000	114,779,322.59	4.53%	8	0.81%
15,000,000 - 16,500,000	124,334,180.30	4.91%	8	0.81%
16,500,000 - 18,000,000	85,046,554.07	3.36%	5	0.51%
18,000,000 - 19,500,000	57,825,030.20	2.28%	3	0.30%
19,500,000 - 21,000,000	163,805,781.71	6.47%	8	0.81%
21,000,000 - 22,500,000	109,487,069.20	4.32%	5	0.51%
22,500,000 - 24,000,000	47,544,472.46	1.88%	2	0.20%
24,000,000 - 25,500,000	172,252,726.28	6.80%	7	0.71%
25,500,000 - 27,000,000	0.00	0.00%	0	0.00%
27,000,000 - 28,500,000	0.00	0.00%	0	0.00%
28,500,000 - 30,000,000	0.00	0.00%	0	0.00%
>30,000,000	0.00	0.00%	0	0.00%
	2,533,131,353.05	100.00%	985	100.00%

Remaining Term To Maturity		average		
in months	Balance in EUR	160.47		
0 - 24	52,505,337.93	2.07%		
24 - 48	77,709,539.55	3.07%		
48 - 72	197,607,232.18	7.80%		
72 - 96	245,385,123.85	9.69%		
96 - 120	276,658,204.41	10.92%		
120 - 144	153,644,564.20	6.07%		
144 - 168	127,799,753.16	5.05%		
168 - 192	350,972,174.22	13.86%		
192 - 216	478,335,357.16	18.88%		
216 - 240	377,784,203.85	14.91%		
240 - 264	42,178,241.65	1.67%		
264 - 288	35,606,652.38	1.41%		
288 - 312	59,342,838.39	2.34%		
312 - 336	47,548,621.12	1.88%		
336 - 360	8,339,880.52	0.33%		
>360	1,713,628.48	0.07%		
	2,533,131,353.05	100.00%		

Initial Term To Maturity		average
in years	Balance in EUR	19.07
0 - 2	16,486.33	0.00%
2 - 4	3,318,580.49	0.13%
4 - 6	77,658,137.54	3.07%
6 - 8	2,667,226.96	0.11%
8 - 10	69,770,297.58	2.75%
10 - 12	263,438,975.55	10.40%
12 - 14	1,913,120.67	0.08%
14 - 16	135,747,904.52	5.36%
16 - 18	77,807,502.16	3.07%
18 - 20	425,097,582.78	16.78%
20 - 22	1,183,568,576.87	46.72%
22 - 24	1,129,107.11	0.04%
24 - 26	26,023,303.79	1.03%
26 - 28	965,681.35	0.04%
28 - 30	52,303,294.66	2.06%
30 - 35	209,778,952.80	8.28%
35 - 40	1,208,954.72	0.05%
>40	717,667.17	0.03%
	2,533,131,353.05	100.00%

Seasoning		average
in months	Balance in EUR	67.85
0 - 12	248,391,564.31	9.81%
12 - 24	260,201,778.67	10.27%
24 - 36	295,210,562.04	11.65%
36 - 48	381,759,373.67	15.07%
48 - 60	316,354,981.82	12.49%
60 - 72	219,891,246.60	8.68%
72 - 84	83,545,401.87	3.30%
84 - 96	79,458,648.63	3.14%
96 - 108	70,274,938.61	2.77%
108 - 120	141,109,701.98	5.57%
120 - 132	122,826,274.85	4.85%
132 - 144	65,629,210.49	2.59%
144 - 156	60,984,410.88	2.41%
156 - 168	56,990,865.00	2.25%
168 - 180	32,427,480.25	1.28%
180 - 192	28,202,512.30	1.11%
192 - 204	15,580,208.08	0.62%
204 - 216	10,992,738.51	0.43%
216 - 228	12,164,604.65	0.48%
228 - 240	9,397,610.04	0.37%
>240	21,737,239.80	0.86%
	2,533,131,353.05	100.00%

Distribution of Average Life to Final Maturity (at 0% CPR)		average
in years	Balance in EUR	7.47
0 - 1	39,966,716.78	1.58%
1 - 2	70,378,074.84	2.78%
2 - 3	159,414,382.52	6.29%
3 - 4	203,069,072.43	8.02%
4 - 5	214,450,903.28	8.47%
5 - 6	230,357,335.49	9.09%
6 - 7	142,012,655.78	5.61%
7 - 8	176,954,662.52	6.99%
8 - 9	405,853,068.27	16.02%
9 - 10	328,306,160.09	12.96%
10 - 11	327,888,932.97	12.94%
11 - 12	38,905,745.61	1.54%
12 - 13	46,395,894.94	1.83%
13 - 14	54,390,441.99	2.15%
14 - 15	19,861,793.22	0.78%
15 - 16	57,898,810.93	2.29%
16 - 17	16,481,789.68	0.65%
17 - 18	0.00	0.00%
18 - 19	0.00	0.00%
19 - 20	0.00	0.00%
20 - 21	0.00	0.00%
21 - 22	0.00	0.00%
22 - 23	0.00	0.00%
23 - 24	0.00	0.00%
24 - 25	0.00	0.00%
>25	544,911.71	0.02%
	2,533,131,353.05	100.00%

Distribution of Average Life To Interest Reset Date (at 0% CPR)		average
in years	Balance in EUR	7.47
0 - 1	39,966,716.78	1.58%
1 - 2	70,378,074.84	2.78%
2 - 3	159,414,382.52	6.29%
3 - 4	203,069,072.43	8.02%
4 - 5	214,450,903.28	8.47%
5 - 6	230,357,335.49	9.09%
6 - 7	142,012,655.78	5.61%
7 - 8	176,954,662.52	6.99%
8 - 9	405,853,068.27	16.02%
9 - 10	328,306,160.09	12.96%
10 - 11	327,888,932.97	12.94%
11 - 12	38,905,745.61	1.54%
12 - 13	46,395,894.94	1.83%
13 - 14	54,390,441.99	2.15%
14 - 15	19,861,793.22	0.78%
15 - 16	57,898,810.93	2.29%
16 - 17	16,481,789.68	0.65%
17 - 18	0.00	0.00%
18 - 19	0.00	0.00%
19 - 20	0.00	0.00%
20 - 21	0.00	0.00%
21 - 22	0.00	0.00%
22 - 23	0.00	0.00%
23 - 24	0.00	0.00%
24 - 25	0.00	0.00%
>25	544,911.71	0.02%
	2,533,131,353.05	100.00%

Repayment Type

Type	Balance in EUR	
Annuity	28,383,869.10	1.12%
Bullet	1,451,269.11	0.06%
Degressive	61,722.72	0.00%
Linear	313,602,943.12	12.38%
Manual amortisation	32,869,773.01	1.30%
Progressive	2,156,761,775.99	85.14%
	2,533,131,353.05	100.00%

Principal Payment Frequency

Type	Balance in EUR	
Annual	1,731,338,831.26	68.35%
Bullet	1,451,269.11	0.06%
Monthly	66,259,859.37	2.62%
Quarterly	324,063,823.07	12.79%
Semi-Annual	410,017,570.24	16.19%
	2,533,131,353.05	100.00%

Interest Type

Type	Balance in EUR	
1/1/1	236,403.85	0.01%
3/3/3	3,393,221.46	0.13%
5/5/5	2,582,928.37	0.10%
FIXED RATE PRODUCT	2,509,982,541.77	99.09%
REVISION 10 YEARS	12,580,319.78	0.50%
REVISION 20 YEARS	3,840,317.76	0.15%
REVISION 3 MONTHS	159,810.37	0.01%
REVISION 6 MONTHS	355,809.69	0.01%
	2,533,131,353.05	100.00%

Interest Payment Frequency

Type	Balance in EUR	
Annual	311,390,438.33	12.29%
Monthly	68,952,702.33	2.72%
Quarterly	503,366,899.50	19.87%
Semi-Annual	1,649,421,312.89	65.11%
	2,533,131,353.05	100.00%

Interest Rate		average
Rate	Balance in EUR	3.52%
0 - 0.5%	1,268,913.40	0.05%
0.5 - 1%	10,245,765.82	0.40%
1 - 1.5%	35,317,008.94	1.39%
1.5 - 2%	92,744,072.79	3.66%
2 - 2.5%	216,970,942.17	8.57%
2.5 - 3%	339,166,775.27	13.39%
3 - 3.5%	445,437,147.12	17.58%
3.5 - 4%	622,857,242.48	24.59%
4 - 4.5%	412,034,864.94	16.27%
4.5 - 5%	287,249,832.92	11.34%
5 - 5.5%	59,354,776.86	2.34%
5.5 - 6%	10,029,297.18	0.40%
6 - 6.5%	454,713.16	0.02%
6.5 - 7%	0.00	0.00%
7 - 7.5%	0.00	0.00%
7.5 - 8%	0.00	0.00%
8 - 8.5%	0.00	0.00%
8.5 - 9%	0.00	0.00%
9 - 9.5%	0.00	0.00%
9.5 - 10%	0.00	0.00%
>10%	0.00	0.00%
	2,533,131,353.05	100.00%

Cover Pool Performance

Portfolio Cut-Off Date

31/12/2015

1. Delinquencies (at cut-off date)

	in EUR	in %	in number of loans	in %
Performing	2,533,131,353.05	100.000%	32,627	100.000%
0 - 30 Days	0.00	0.000%	0	0.000%
30 - 60 Days	0.00	0.000%	0	0.000%
60 - 90 Days	0.00	0.000%	0	0.000%
>90 Days	0.00	0.000%	0	0.000%
Total	2,533,131,353.05	100.000%	32,627	100.000%

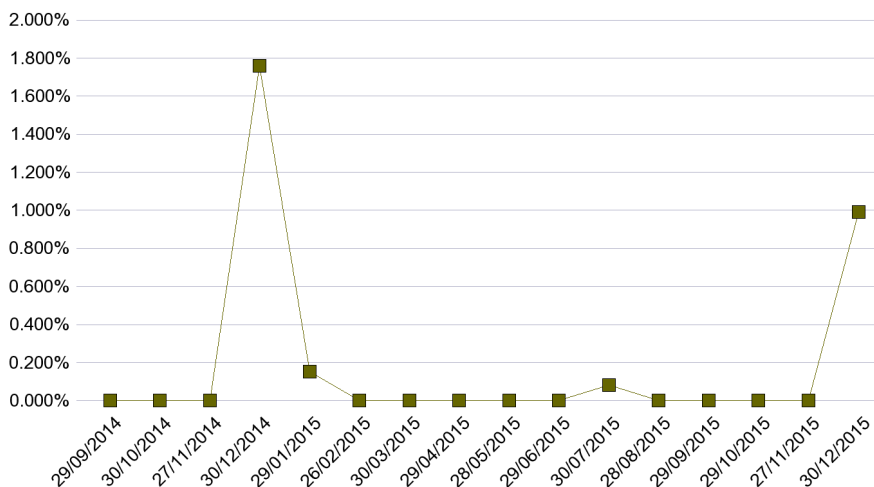
Delinquency History (Balance delinquent loans divided by total balance)



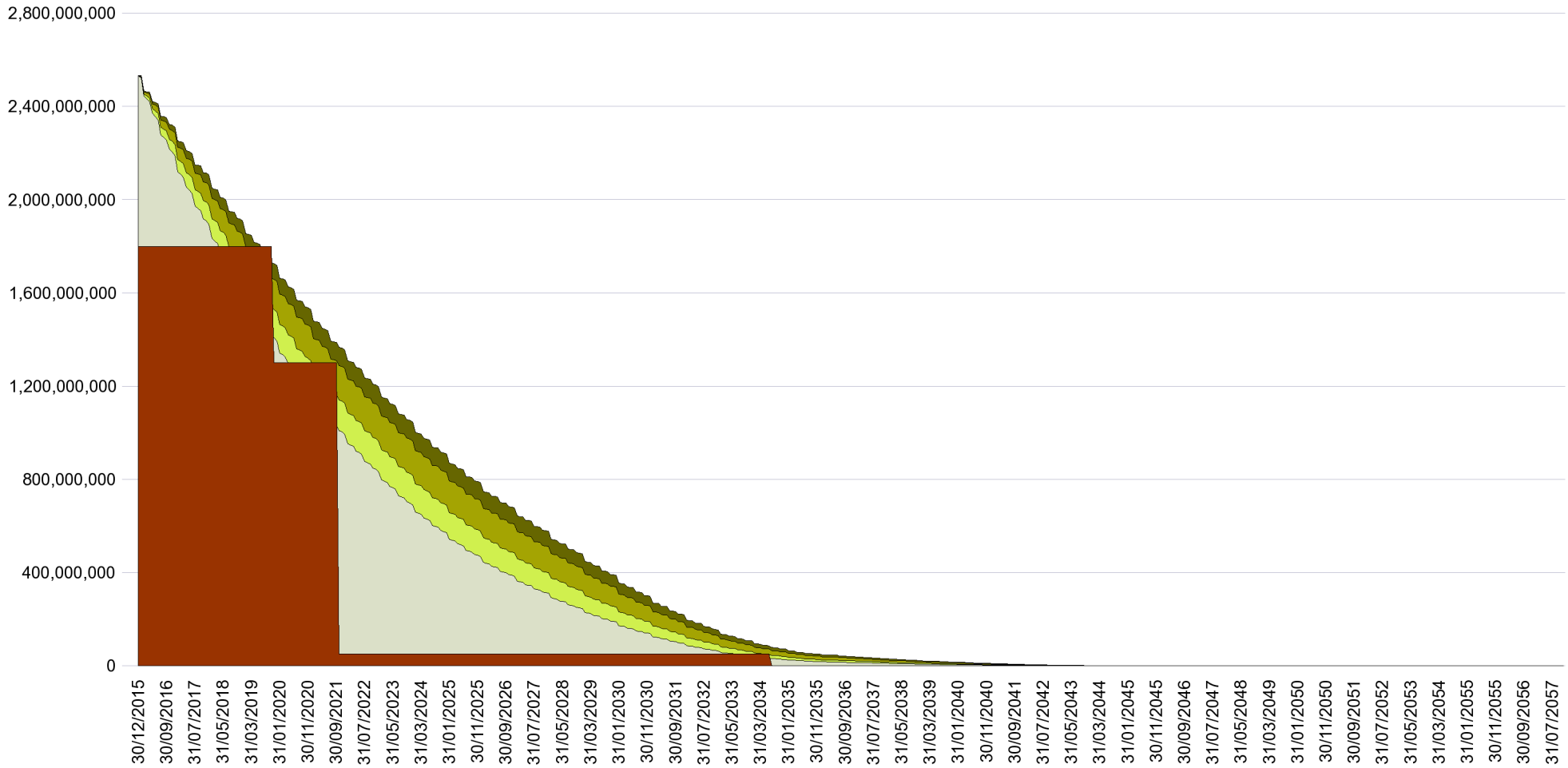
2. Prepayments Past Month

	Monthly%	Annualised%
Full Prepayment	0.08%	0.99%
Partial Prepayment	0.00%	0.00%
Total Prepayment	0.08%	0.99%

Prepayment History (annualised CPR)



Amortisation Profiles (all amounts in EUR)



- Outstanding Public Finance Loans (0% CPR)
- Outstanding Public Finance Loans (1% CPR)
- Outstanding Public Finance Loans (2% CPR)
- Outstanding Public Finance Loans (5% CPR)
- Covered Bonds (until maturity date)

Definitions and Remarks

Interest and Principal coverage Test

The interest and principal coverage test is done at the CPR which is derived from Belfius internal Prepayment model. This CPR changes over time.

Costs, Fees and Expenses Related to Covered Bonds are simulated based on the assumption of a fixed amount of EUR 5 million p.a. and 7 bp on the outstanding public sector loan balance.

Liquidity Test

The liquidity test is done as defined in the Royal Decree. The liquidity test is done at the most conservative CPR assumption, being the CPR at which the cash flow comes in at the slowest speed, being 0% CPR

Interest Type

The interest type "Fixed" means that the interest rate of a loan is fixed during the entire life of the loan. The interest "Resettable" means that the interest rate resets based on a certain benchmark rate at pre-determined moments during the life of the loan.

Prepayments

The monthly percentage is defined as: $\text{Amount Prepaid during the month} / (\text{Initial Balance} - \text{Scheduled Payments})$

The annual percentage (CPR) is defined as: $1 - (1 - \text{monthly percentage})^{12}$

In order to calculate the prepayment rates, only those loans are taken into account that were present in the cover pool during the entire month. Loans that were taken out of the cover pool during the past month or added to the cover pool during the past month are excluded for the prepayment calculation.

Amortisation Profiles

For the purpose of calculating the amortisation profiles, the interest and principal payments, loans with a resettable rate are simulated using the relevant forward OLO rates in order to simulate the interest resets and the resulting monthly interest and principal payments amounts.

No yield compression is assumed in the calculations provided in this report where CPR assumptions different from 0% are used.

Principal Repayment Types

Annuity: repayment of a loan in equal instalments throughout the repayment period. Principal and interest components of the instalments change over time, but the amount of total periodic payment is constant.

Linear: repayment of a loan in equal principal instalments. Total periodic payments decrease over time.

Progressive: repayment of a loan in increasing periodic instalments due to gradual increase of the principal component of the instalments over time.

Degressive: repayment of a loan in decreasing instalments due to gradual decrease of the principal component of the instalments over time.

Bullet: repayment of a loan by a single payment at the maturity date.

Manual amortisation: repayment schedule of a loan is not parameterized by a formula and is based on a mutual agreement between a borrower and the bank.

Provinces

The territory of Belgium is divided into three Regions, two of which, Flanders and Wallonia, are in turn subdivided into 5 provinces each.

- Flanders consists of the provinces Antwerp (Antwerpen), East Flanders (Oost-Vlaanderen), Flemish Brabant (Vlaams-Brabant), Limburg and West Flanders (West-Vlaanderen).

- The provinces Hainaut, Liège, Luxembourg, Namur and Walloon Brabant (Brabant wallon) are part of Wallonia.

The third Region, Brussels-Capital Region, is neither a province nor part of a province. The territory of the Brussels-Capital Region remains and falls outside the scope of the split of the country into provinces. The provinces are autonomous institutions and are under the supervision of the Federal State, the Communities and mainly the Regions.

Municipalities

The level of administration that is closest to the individual is the local authority or municipality. When the Belgian State was created in 1831, there were 2739 municipalities. Since the merger of communes in 1975, there are still 589 municipalities. The municipalities already existed before the creation of the Belgian State and were recognised by the 1831 Constitution. Their organisation is laid down in the law of 1836. In 1988 the new municipality act was enacted. From the time they were set up, reference was made to "municipal autonomy". That does not mean that the local politicians can do anything they like, but they do have extensive autonomy in the context of the powers that they exercise, under the supervision of higher authorities. Each region exercises its supervision over the municipalities in its territory. The supervision over the municipalities by other authorities, i.e. the Communities and the Federal State, is limited to the fields for which the Communities and the Federal State hold powers.

In Belgium there are 589 municipalities:

- 308 Flemish cities and municipalities are spread over five provinces in Flanders;
- 262 Walloon cities and municipalities are spread over five provinces in Wallonia; and
- 19 municipalities are spread over the Brussels-Capital Region

Public Center for Social Welfare

Every citizen who legally resides in Belgium has the right to social assistance and social integration provided by the Public Centre for Social Welfare ("PCSW"), "CPAS/OCMW". The "Centre Public d'Action Sociale/Openbaar Centrum voor Maatschappelijk Welzijn" are public institutions with legal personality under public law. They provide social services ensuring the well-being of every citizen. Their activities include the distribution of financial assistance to the needy people, the exploitation of nursing homes and hospitals, etc. Examples of social services provided by the CPAS/OCMW include financial help, medical help, housing, legal advice, etc. The social assistance aims to ensure the entire population a minimum income ("leefloon/revenu d'intégration"). There is one CPAS/OCMW per municipality, or 589 in total. By law, the municipality is required to cover the deficits of the CPAS/OCMW. The fact that CPAS/OCMW is a separate institution from the municipality itself, is historical, whereas in other countries such social services are given by the municipalities themselves. Each municipality has, besides a municipal council, a separate CPAS/OCMW council appointed by the municipal council. Thus, they are not directly elected except in some municipalities with language facilities.

Police Zone

In Belgium, the police services have been structured into two levels: the federal (the Federal Police) and the local level (the Local Police). The municipalities are responsible for the local police which is organised in 196 police zones: 50 police forces cover the territory of one municipality (mono-municipal police zone) and 146 cover more than one municipality (multi-municipal police zone). The Federal Police and the Local Police are autonomous and subordinated to different authorities, but linked in regards to reciprocal support, recruitment, manpower mobility and common training. Each local police chief is responsible for the execution of local law enforcement policy and ensures the management, organisation and distribution of missions in the local police force. She or he works under the authority of the mayor in one-city zones, or under a police board composed of all the mayors from the different municipalities in a multi-municipal police zone. The multi-municipal police zone has its own legal personality while the mono-municipal police zone has no distinct legal personality from the municipality.

Intermunicipal and municipal entity

In Belgium, municipalities are in charge of the provision of several public services, including waste management, water management, social housing, environment and energy distribution. Local authorities are allowed to create independent entities to facilitate the execution of some municipal tasks.

- In Wallonia two types of municipal public entities have been defined, known as ordinary and autonomous municipal entities (régies communales ordinaires et autonomes). Autonomous municipal entities have a separate legal identity from the municipality and can operate in industrial or commercial sectors. Ordinary municipal entities do not have a separate legal identity from the municipality.

- In Flanders, municipalities are allowed to set up "independent agencies" either 1/ in-house (intern verzelfstandigde agentschappen - IVA) or 2/ external (externe verzelfstandigde agentschappen - EVA). Although IVAs do not have a proper legal personality, they can operate independently (swimming-pools, libraries, etc.). EVAs are distinct legal entities that can either be an autonomous public corporation or adopt a private law structure (company, non-profit organisation such as ASBL or foundation). Municipalities can also share the management of specific municipal interest functions (activities and services) via inter-municipal entities (intercommunales). These are public law entities that come under both private and public law. They must have at least 2 municipal shareholders and their capital can be either entirely public ("pure" inter-municipal entities) or bring together public and (to a limited extent) private partners ("mixed" municipal entities).

Public Hospitals

The Belgian hospital sector combines public and private hospitals. Public hospitals are for the most part owned by a CPAS/OCMW, an inter-municipal entity or an association of CPAS/OCMW (which is a legal form of association that groups together local authorities, CPAS/OCMW and, in some cases, the provincial government or private shareholders). Both private and public hospitals are nonprofit organisations. All hospitals in Belgium are governed by the Belgian hospital law ("Gecoördineerde wet op de ziekenhuizen en andere verzorgingsinrichtingen/Loi coordonnée sur les hôpitaux et autres établissements de soins" of 10 July 2008). The hospital sector is for some aspects dependent of the State and for others of the communities and regions. Hospital legislation and financing mechanisms are the same for both the public and private sectors. The only differences are that for public hospitals internal management rules are more tightly defined and their deficits are covered, subject to certain conditions, by local authorities or inter-municipal associations. The three communities act as supervisory authorities.

Disclaimer

This document is prepared by Belfius Bank NV/SA, Boulevard Pacheco 44, 1000 Brussels, Belgium (herein referred as 'Belfius Bank') on behalf of itself.

This document is published purely for the purposes of information, it contains no offer or invitation for the purchase or sale of financial instruments, does not comprise investment advice and is not confirmation of any transaction.

The information in this document has been treated with all reasonable care. Nevertheless errors or omissions cannot be excluded and no warranty can be given as to the completeness of the information of this document.

All opinions, estimates and projections contained in this document are those of Belfius Bank as of the date hereof and are subject to change without notice. The information contained in this document was obtained from a number of different sources. Belfius Bank exercises the greatest care when choosing its sources of information and passing the information. Nevertheless errors or omissions in those sources or processes cannot be excluded a priori.

Belfius Bank cannot be held liable for any direct or indirect damage or loss resulting from the use of this document.

The information contained in this document is published for the assistance of the recipient, but is not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient. Nothing in this document shall form the basis of any contract or commitment whatsoever.

In the United Kingdom, this report is intended only for Investment Professionals (as defined in The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001) and is not intended to be distributed or passed on, directly or indirectly, to any other class of persons (in particular retail client) in the United Kingdom.

The information is not intended for persons who are resident in the United States or who are physically present in the United States and the Public Pandbrieven are not or will not be registered under the US Securities Act of 1933 as amended and the Public Pandbrieven may not be offered or sold within the United States or to, or for the account or benefit of US persons, except in certain circumstances exempt from the registration requirements of the Securities Act.

Potential users of this document and each investor is encouraged to contact its local regulatory authorities to determine whether any restrictions apply to their ability to purchase investments to which this report refers.

This report is made available to you for information purposes and this report or any part of it may not be reproduced, distributed or published without the prior written consent of Belfius Bank. All rights reserved.