



BELFIUS BANK SA/NV

(incorporated with limited liability in Belgium)

EUR 10,000,000,000

Belgian Public Pandbrieven Programme

Arranger
Belfius Bank

Dealers

Barclays

Belfius Bank

Commerzbank

Landesbank Baden-Württemberg

Natixis

NatWest Markets

Nomura

Société Générale Corporate & Investment Banking

UniCredit Bank

12 May 2020



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EUR 10,000,000,000

Belgian Public Pandbrieven Programme

Under its EUR 10,000,000,000 Belgian Public Pandbrieven Programme (the “**Programme**”), Belfius Bank SA/NV (the “**Issuer**” or “**Belfius Bank**”) may from time to time issue 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**”). The aggregate outstanding principal amount 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).

Public Pandbrieven may be issued in dematerialised form (“**Dematerialised Public Pandbrieven**”) or in registered form (“**Registered Public Pandbrieven**”). Dematerialised Public 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 Articles 7:35 et seq. of the Belgian Companies Code. Registered Public 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 Companies Code.

The Public Pandbrieven may be issued on a continuing basis to one or more dealers appointed from time to time under the 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 Public Pandbrieven 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.

This document constitutes a base prospectus (the “**Base Prospectus**”) within the meaning of Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the “**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 Prospectus Regulation. The FSMA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Public Pandbrieven. Investors should make their own assessment as to the suitability of investing in the Public Pandbrieven.

The date of this Base Prospectus is 12 May 2020. 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 Public Pandbrieven issued under the Programme 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 Public Pandbrieven or request the listing of Public Pandbrieven on any other stock exchange or market. The applicable final terms in respect of the issuance of any Public Pandbrieven will specify whether or not such Public 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 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*). Both lists can be consulted on the website of the Supervisory Authority (at www.nbb.be). Public Pandbrieven issued under the Programme will constitute Belgian pandbrieven under the Belgian Covered Bonds Regulations and will as such be included in the list of the Supervisory Authority.

Each Series of Public Pandbrieven may on issuance be assigned a rating by Fitch France S.A.S. (“**Fitch**”), a rating by Moody’s Investors Service Ltd. (“**Moody’s**”), a rating by S&P 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 Public Pandbrieven, to the extent each such agency is a Rating Agency (as defined herein) at the time of the issuance of the Public Pandbrieven.

Each of the Rating Agencies is established in the European Union 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 (<http://www.esma.europa.eu>). Series of Public Pandbrieven (as defined in “Overview of the Programme”) to be issued under the Programme will be rated or unrated. Where a Series of Public Pandbrieven is to be rated, such rating will not necessarily be the same as the ratings assigned to other Series of Public Pandbrieven. 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 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 Public 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.

Public Pandbrieven issued under the Programme will not be placed with “consumers” within the meaning of the Belgian Code of Economic Law and 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 or in the United Kingdom (“**UK**”) (as defined on page 177 of the Base Prospectus).

In the case of any Public Pandbrieven which are to be admitted to trading on a regulated market within the European Economic Area (“**EEA**”) or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the specified denomination of Public 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 Public 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 of Public Pandbrieven in any Member State of the European Economic Area (each a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Public Pandbrieven. Accordingly, any person making or intending to make an offer in that Relevant Member State of Public Pandbrieven which are the subject of an offering contemplated in this Base Prospectus as completed by the final terms in relation to the offer of those Public Pandbrieven may only do so in circumstances in which no obligation arises for the Issuer or any Dealer 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 Public Pandbrieven in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”). Potential investors in the Public Pandbrieven should be aware that any website referred to in this document does not form part of this Base Prospectus and has not been scrutinised or 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 Public Pandbrieven. 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 the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or any of the Dealers that any recipient of this Base Prospectus or any person supplied with other information supplied in connection with the Programme should purchase the Public Pandbrieven. Each potential purchaser of Public Pandbrieven should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Public 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 Public 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 Public 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 “Overview of the Programme”). 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 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 Public Pandbrievien which are to be admitted to trading on a regulated market within the European Economic Area (“EEA”) or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Regulation, the specified denomination of Public Pandbrievien 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 Public Pandbrievien).

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. These factors include: (i) the risk linked to the COVID-19 outbreak; (ii) the credit risk inherent to Belfius Bank’s business; (iii) the changes in the profitability and in the expectations about the future profitability; (iv) the ability to maintain sufficient liquidity and access to capital markets; (v) the increase of the competition; (vi) the operational risks, including reputational and compliance problems; (vii) the changes in the market value; (viii) the effect of, and changes in the legal framework; (ix) the interest rate risk; (x) the potential risk of failing to redeem the Public Pandbrievien in full or extending the maturity of the Series; (xi) the valuation of the Special Estate; (xii) the issues relating to allocation, (xiii) the risk that Public sector exposure debtors may benefit from immunity of enforcement, (xiv) the risk of set-off; (xv) the effects of, and changes in, fiscal, monetary, trade and tax policies; and (xvi) the possibility of a lack of liquidity on the secondary market. The foregoing list of important factors is not exclusive; 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 securities 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 PUBLIC PANDBRIEVIEN GENERALLY

The distribution of this Base Prospectus and the offering or sale of the Public Pandbrievien 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 to inform themselves about and to observe any such restriction. The Public Pandbrievien 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, Public Pandbrievien 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 Public 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 Public Pandbrieven.

Prohibition of sales to EEA and UK retail investors - The Public Pandbrieven issued under the Programme 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 EEA or 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 (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 Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Public Pandbrieven or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Public Pandbrieven or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

Prohibition of sales to consumers in Belgium – The Public 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” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

MIFID II product governance / target market – The Final Terms in respect of any Public Pandbrieven will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Public Pandbrieven and which channels for distribution of the Public Pandbrieven are appropriate. Any person subsequently offering, selling or recommending the Public 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 Public 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 Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Public Pandbrieven is a manufacturer in respect of such Public Pandbrieven, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

Benchmark Regulation – Amounts payable under the Public 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 Public Pandbrieven may be calculated by reference to the Euro Interbank Offered Rate (“**EURIBOR**”) or the London Interbank Offered Rate (“**LIBOR**”), which are provided by the European Money Markets Institute (“**EMMI**”) and the ICE Benchmark Administration Limited (“**ICE**”), respectively. As at the date of this Base Prospectus, EMMI and ICE appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation.

CONSIDERATION OF INVESTMENT

An investment in a particular Series of Public Pandbrieven involves certain risks, which will vary depending on the type of the Public Pandbrieven. Each potential investor in the Public Pandbrieven must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the particular Series of Public Pandbrieven, the merits and risks of investing in the Public Pandbrieven and the information contained or referred to in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Public Pandbrieven and the impact the Public Pandbrieven will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Public Pandbrieven, including Public 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) understand thoroughly the terms of the Public Pandbrieven and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be 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 issuance of any Tranche (as defined in the section “Overview of the Programme – Method of Issue”) of Public Pandbrieven, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Public Pandbrieven or effect transactions with a view to supporting the market price of the Public Pandbrieven at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons 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 final 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 person(s) acting on behalf of any Stabilising Managers) in accordance with all applicable laws and rules.

ENGLISH CONCEPTS

The Public Pandbrieven 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 at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

TABLE OF CONTENTS

	Page
IMPORTANT INFORMATION	4
GENERAL	4
TABLE OF CONTENTS	9
SECTION 1 OVERVIEW OF THE PROGRAMME	12
SECTION 2 RISK FACTORS	26
SECTION 3 DOCUMENTS INCORPORATED BY REFERENCE	37
SECTION 4 PROSPECTUS SUPPLEMENT	3840
SECTION 5 PROGRAMME DESCRIPTION	41
SECTION 6 SUMMARY DESCRIPTION OF THE LEGAL FRAMEWORK FOR BELGIAN COVERED BONDS AND BELGIAN PANDBRIEVEN	44
SECTION 7 USE OF PROCEEDS	61
SECTION 8 TERMS AND CONDITIONS OF THE PUBLIC PANDBRIEVEN	62
1 Type, Form, Denomination, Title and Transfer	63
2 Interest and Other Calculations	65
3 Redemption, Purchase and Options	78
4 Payments	83
5 Tax Gross-up	83
6 Status and ranking of Public Pandbrieven	85
7 Specific provisions required by the Belgian Covered Bonds Regulations	85
8 Allocation	86
9 Principal Paying Agent, Paying Agent, Fiscal Agent and Registrar provisions	87
10 Notices	87
11 Cover Pool Monitor	88
12 Issuer Covenant	88
13 Noteholders' Waiver	89
14 Prescription	89
15 Rules of Organisation of the Noteholders	89
16 Noteholders' Representative	89
17 Conflicts of Interest	90
18 Meetings of Noteholders	90

19	Amendments to the Conditions	90
20	No Exchange of Registered Public Pandbrieven	90
21	Further Issues	91
22	Currency Indemnity	91
23	Payment Default and Cross-Acceleration	91
24	Post-Acceleration Priority of Payments	92
25	Action by Noteholders' Representative	94
26	Governing Law and Jurisdiction	94
	SECTION 9 RULES OF ORGANISATION OF THE NOTEHOLDERS	95
	TITLE I GENERAL PROVISIONS	95
1	General	95
2	Definitions and Interpretation	95
	TITLE II MEETINGS OF THE NOTEHOLDERS	97
3	Convening a Meeting	97
4	Chairman	97
5	Quorum and Adjournment	97
6	Powers of Meetings	99
7	Arrangements for Voting	100
8	Meeting Attendance	102
9	Voting	102
10	Effect and Notice of Resolutions	103
11	Minutes	103
12	Written Resolution	103
13	Further Regulations	103
	TITLE III NOTEHOLDERS' REPRESENTATIVE	104
14	Appointment, Removal and Remuneration	104
15	Duties and Powers of the Noteholders' Representative	105
16	Exoneration of the Noteholders' Representative	107
17	Reliance on Information	110
18	Amendments and Modifications	112
19	Waiver	112
20	Indemnity	113
21	Liability	114

SECTION 10 FORM OF FINAL TERMS.....	115
SECTION 11 DESCRIPTION OF THE ISSUER.....	131
1 Belfius Bank profile.....	131
2 Simplified Group structure as at the date of this Base Prospectus	131
3 Belfius Bank main commercial subsidiaries	132
4 Results 2019	132
5 Minimum CET 1 requirements (SREP)	133
6 Segment reporting.....	134
7 Post-balance sheet events.....	140
8 Risk Management	141
SECTION 12 U.S. FOREIGN ACCOUNT TAX COMPLIANCE WITHHOLDING.....	167
SECTION 13 BELGIAN TAXATION ON THE PUBLIC PANDBRIEVEN.....	169
SECTION 14 SUBSCRIPTION AND SALE	177
SECTION 15 GENERAL INFORMATION	182

SECTION 1

OVERVIEW OF THE PROGRAMME

*This overview constitutes a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) No. 2019/980 supplementing the Prospectus Regulation, as amended, supplemented and/or complemented from time to time. It summarises the main terms applicable to the Public Pandbrieven issued pursuant to the terms and conditions set out in this Base Prospectus (the “**Conditions**”) and the final terms based on the form set out in this Base Prospectus (the “**Final Terms**”).*

*The Issuer may from time to time issue Public Pandbrieven under the 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 Public Pandbrieven governed by German law (Gedekte 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).*

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 Public Pandbrieven, the applicable Final Terms.

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 license	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 on 6 November 2012.

Information relating to the Programme

Description	The Belgian Public Pandbrieven Programme (the “ Programme ”) is a programme for the continuous offer of Belgian pandbrieven (<i>Belgische pandbrieven/lettres de gage belges</i>) (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 ”).
Programme license	The Supervisory Authority has admitted the Programme to the list of authorised programmes for the issuance of covered bonds under the category Belgian pandbrieven (<i>Belgische pandbrieven/lettres de gage belges</i>) 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 Programme and shall indicate that the Public Pandbrieven constitute Belgian pandbrieven under the Belgian Covered Bonds Regulations.

Programme Limit

EUR 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal outstanding 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.

All Public Pandbrieven to be issued under the Programme will be covered by the same special estate (*bijzonder vermogen/patrimoine spécial*) (the “**Special Estate**”). The main asset class of the 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**”), comprising, among others, loans (*leningen/prêts*) of Belfius Bank SA/NV (or its legal predecessors) to (or loans guaranteed or insured by) central, regional or local authorities or 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 (*dekkingswaarden/actifs de couverture*), the “**Cover 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 thereof) will at all times represent at least 105 per cent. of the aggregate principal outstanding amount of the Public Pandbrieven of all Series. The Issuer will maintain a cover register in which both the issued Public Pandbrieven and the Cover Assets are registered (the “**Cover Register**”).

See Section 6.2.1 (Summary description of the legal framework for Belgian pandbrieven - Composition of the special estate) and Condition 12 (Issuer Covenant) for further information on the composition of the Special Estate.

Status and ranking of Public Pandbrieven

All Series of 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. Pursuant to the Belgian Covered Bonds Regulations, the Noteholders and any Other Creditors (as defined below) will benefit from a dual recourse consisting of (i) an exclusive right of recourse against the Special Estate and (ii) an

Issuer Covenant

unsecured, unsubordinated recourse against the general estate of the Issuer.

The Issuer will covenant in favour of the Noteholders and the Noteholders' Representative to:

- (i) comply with all obligations imposed on it under the Belgian Covered Bonds Regulations;
- (ii) ensure that the Special Estate will mainly consist of Public Sector Exposure;
- (iii) ensure that the Special Estate will not contain any commercial or residential mortgage loans, any commercial or residential mortgage backed securities or any other asset backed securities;
- (iv) ensure that the value of the Public Sector Exposure registered as Cover Assets in the Cover Register (including any collections in respect thereof) (a) is calculated in accordance with the Belgian Covered Bonds Regulations and (b) represents at all times at least 105 per cent. of the aggregate principal outstanding 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 Programme);
- (v) ensure that loans constituting Public Sector Exposure will only be added to the Special Estate if they are fully drawn;
- (vi) ensure that the Special Estate will at all times include liquid bonds meeting the criteria set out in Article 7 of the NBB Covered Bonds Regulation of 29 October 2012 and 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 (as defined in section 6.1), (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 (EU) 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, (d) have a remaining maturity of more than one year, and (e) are not debt issued by the Issuer;
- (vii) ensure that the Special Estate will not contain any 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; and

(viii) provide investor reports with regard to, among others, the composition of the Special Estate which will be made available on the website of the Issuer at www.belfius.com on a monthly basis.

Cross-Acceleration

Upon service of an acceleration notice under any of the Series of Public Pandbrievens, all Public Pandbrievens will become immediately due and payable on the relevant acceleration date, together with any accrued interest, and will rank *pari passu* among themselves.

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 Special Estate (whether in the administration, liquidation of the Special Estate or otherwise) following (i) the service of an acceleration notice or (ii) a liquidation of the 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 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 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 Operating Creditors;
- (d) *fourth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of (i) any *Pari Passu* Swap Amounts, (ii) any *Pari Passu* Liquidity Amounts, and (iii) any payments of amounts due and payable to Noteholders *pro rata* and *pari passu* on each Series in accordance with the Conditions;
- (e) *fifth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of (i) any Junior Swap Amounts and (ii) any Junior Liquidity Amounts; and
- (f) *sixth*, thereafter any remaining monies will be paid

to the general estate of the Issuer.

For the purposes of this provision, 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 Special Estate, as applicable, to any Operating Creditor plus any value added tax or any other tax or duty payable thereon.

“Hedge Counterparty” means a hedge counterparty under a swap agreement entered into by the Issuer in relation to the Special Estate.

“Junior Liquidity Amount” means each amount, including any costs, charges, liabilities and expenses, due and payable to a Liquidity Provider which under the relevant liquidity agreement are expressed to rank junior to interest and principal due to Noteholders and any other party ranking senior in accordance with the Post-Acceleration Priority of Payments.

“Junior Swap Amount” means any swap termination amount whereby the Hedge Counterparty is the defaulting party or any such other amount, including any costs, charges, liabilities and expenses, due and payable to a Hedge 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 Noteholders and any other party ranking senior in accordance with the Post-Acceleration Priority of Payments.

“Liquidity Provider” means a counterparty under a liquidity arrangement agreement entered into by the Issuer in relation to the Special Estate.

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

into in relation to the Public Pandbrievien or the Programme, as may from time to time be specified in the Conditions of any Public Pandbrievien issued under the Programme.

“**Other Creditor**” means the Noteholders’ Representative, any Operating Creditor, any Liquidity Provider, any Hedge Counterparty and the Cover Pool Administrator.

“**Pari Passu Liquidity Amount**” means each amount, including any costs, charges, liabilities and expenses, due and payable to a Liquidity Provider and which under the relevant liquidity agreement are expressed to rank *pari passu* with interest or principal (as applicable) due to Noteholders.

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

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

Information relating to the parties involved

Arranger	Belfius Bank SA/NV
Dealers	Barclays Bank PLC Barclays Bank Ireland PLC Belfius Bank SA/NV Commerzbank Aktiengesellschaft Landesbank Baden-Württemberg Natixis Nomura International plc Société Générale NatWest Markets plc UniCredit Bank AG
	<i>The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme.</i>
Fiscal Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable Conditions or Final Terms.
Principal Paying Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable Conditions or Final Terms.
Paying Agent	Belfius Bank SA/NV, unless otherwise specified in the applicable Conditions or Final Terms.
Registrar	Belfius Bank SA/NV, unless otherwise specified in the applicable Conditions or Final Terms.

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**”), Clearstream Banking Frankfurt (“**Clearstream Germany**”), SIX SIS (Switzerland), Monte Titoli (Italy), Euroclear France SA (France), INTERBOLSA (Portugal) and/or such other clearing system as may be agreed between the Issuer, the Fiscal Agent and (where applicable) the relevant Dealer(s) (see in this respect: <https://www.nbb.be/nl/list-nbb-investor-icsds>¹).

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.

Cover Pool Monitor

Ernst & Young Bedrijfsrevisoren BV o.v.v. CVBA/Révisiteurs d’Entreprises SC s.f.d. SCRL and its representative (as approved by the Supervisory Authority in accordance with the Belgian Covered Bonds Regulations). The Cover Pool Monitor will perform its duties in accordance with the Belgian Covered Bonds Regulations and the contractual arrangements that will be agreed upon between the Cover Pool Monitor and the Issuer.

Cover Pool Administrator

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

- (a) upon the adoption of a measure as mentioned in Article 236 of the Banking Law against the issuing credit institution if such measure may, in the opinion of the Supervisory Authority, have a negative impact (*negatieve impact/impact négatif*) on the noteholders;
- (b) upon the initiation of bankruptcy proceedings against the issuing credit institution;
- (c) upon the removal of the issuing credit institution from the list of Belgian covered bonds issuers; 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 noteholders.

The parties listed above (other than the Cover Pool Monitor and any Cover Pool Administrator) are

¹ The information contained in this link is not incorporated by reference.

*appointed to act in respect of the Programme pursuant to the Programme Documents as further described under Section 5 (Programme Description) of this Base Prospectus (the “**Programme Documents**”). The relevant 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.*

BASE PROSPECTUS OVERVIEW

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 Companies Code 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 Companies Code. No physical documents of title will be issued in respect of Dematerialised or Registered Public Pandbrieven.
Method of Issue	<p>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, 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 Final Terms). Once consolidated, the Public Pandbrieven of each Series are intended to be interchangeable with all other Public Pandbrieven of that Series.</p> <p>The specific terms of each Tranche will be set out in the applicable Final Terms.</p>
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 Dealers, in each case in accordance with the Distribution Agreement .
Selling Restrictions	United States, European Economic Area, United Kingdom, Belgium, the Netherlands, Switzerland and Japan. See “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, Clearstream Germany, SIX SIS (Switzerland), Monte Titoli (Italy), Euroclear France SA (France), INTERBOLSA (Portugal) or other Securities Settlement System participants or

their participants. Registered Public Pandbrievens 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 Companies Code.

Currencies

Subject to compliance with all relevant laws, regulations and directives, Public Pandbrievens may be issued in any currency agreed between the Issuer and the relevant 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 Final Terms.

Redemption

The applicable Final Terms will indicate the scheduled maturity date of the Public Pandbrievens (the “**Maturity Date**”). The relevant Public Pandbrievens 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 Final Terms may specify that the Public Pandbrievens will be redeemable at the option of their Noteholders (“**Noteholder Put**”) or at the option of the Issuer (“**Issuer Call**”), in each case upon giving notice to the Noteholders or the Issuer, 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.

Extended Maturity Date

If the Issuer fails to redeem the Public Pandbrievens of a Series at their Final Redemption Amount in full within five Business Days after their Maturity Date, then:

- A. save to the extent paragraph (C) below applies, the obligation of the Issuer to redeem such Series shall be automatically deferred to, and shall be due on, the date falling one year after such Maturity Date (the “**Extended Maturity Date**”, as specified in the relevant Final Terms);
- B. the Issuer shall give notice of the extension of the Maturity Date to the Extended Maturity Date to the Noteholders of such Series, the Noteholders’ Representative, the Rating Agencies, the Fiscal Agent and the Paying Agent and/or Registrar as soon as reasonably practicable, it being understood that a failure to notify shall not affect such extension of the Maturity Date;
- C. notwithstanding paragraph (E) below, if and to the extent that on any subsequent Interest Payment Date (as defined in the applicable Final Terms) falling prior to the Extended Maturity Date (each an “**Extension Payment Date**”), the Issuer has sufficient funds available to fully redeem the relevant Series of Public

Pandbrieven, then the Issuer shall (a) give notice thereof to the Noteholders of such Series, the Noteholders' Representative, the Fiscal Agent and the Paying Agent and/or Registrar as soon as reasonably practicable and in any event at least two (2) Business Days prior to such Extension Payment Date and (b) apply such available funds to fully redeem the Public Pandbrieven of such Series on such Extension Payment Date;

- D. save as otherwise provided for in the applicable 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, the Extended Maturity Date or, as the case may be, the date the Public Pandbrieven of such Series are fully redeemed in accordance with paragraph (E) below, (b) be payable in arrears on each Extension Payment Date (in respect of the Interest Period then ended) or, if earlier, the Extended Maturity Date or the date of any redemption pursuant to paragraph (E) below and (c) accrue at the rate provided for in the applicable Final Terms; and
- E. to the extent that the Maturity Date of any other Series of Public Pandbrieven falls prior to the Extended Maturity Date, the Maturity Date of such other 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 the Public Pandbrieven for which the Maturity Date has been previously extended is redeemed in full and all interest accrued in respect thereof is paid. In such circumstances, payment may be made on another date than an Extension Payment Date, provided that notice thereof is given to the Noteholders of such Series, the Noteholders' Representative, the Fiscal Agent and the Paying Agent and/or Registrar as soon as reasonably practicable and in any event at least two (2) Business Days prior to the relevant payment date.

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 Date or in accordance with paragraph (E) above shall be a failure to pay which may constitute a Payment Default.

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.

In the case of a Series of Public Pandbrieven to which an Extended Maturity Date applies, those Public Pandbrieven may for the purposes of this Base Prospectus be:

- i. Fixed Rate Public Pandbrieven, Floating Rate Public Pandbrieven or Zero Coupon Public Pandbrieven in respect of the period from the Issue Date to (and including) the Maturity Date; and
- ii. Fixed Rate Public Pandbrieven or Floating Rate Public Pandbrieven in respect of the period from (but excluding) the Maturity Date to (and including) the Extended Maturity Date;

as set out in the applicable Final Terms.

In case the Public Pandbrieven to which an Extended Maturity Date applies are Zero Coupon Public Pandbrieven, the principal outstanding 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.

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 Condition 3(j)(i)(E) (*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 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 Noteholders’ Representative to deliver such Payment Notice, any Noteholder may deliver such notice to the Issuer (with a copy to the Noteholders’ Representative). The date on which a Payment Default occurs shall be the date on which the Noteholders’ Representative or any 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 Cover Pool Administrator, if a Payment Default occurs in relation to a particular Series, the Noteholders’ Representative may, and shall if so requested in writing by the Noteholders of at least 66^{2/3} per cent. of the principal outstanding amount of the relevant Series of the Public Pandbrieven then outstanding (excluding any Public Pandbrieven which may be held by the

	<p>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.</p> <p>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.</p>
Specified Denomination	<p>Public Pandbrieven will be in such denominations as may be specified in the applicable 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 offered to the public in an EEA 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).</p>
Interest Periods and Rates of Interest	<p>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 Final Terms.</p>
Governing Law	<p>The Public Pandbrieven will be governed by, and construed in accordance with, Belgian law.</p>
<u>Type of Public Pandbrieven</u>	
Fixed Rate Public Pandbrieven	<p>Fixed interest will be payable in arrears on the date or dates in each year specified in the applicable Final Terms.</p>
Floating Rate Public Pandbrieven	<p>Floating Rate Public Pandbrieven will bear interest payable in arrears and set separately for each Series as follows:</p> <ul style="list-style-type: none"> (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 (<i>Terms and Conditions of the Public Pandbrieven</i>)), as published by the International Swaps and Derivatives Association, Inc.; (ii) by reference to EURIBOR or LIBOR (or such other benchmark as may be specified in the applicable Final Terms) as adjusted for any applicable margin as specified

in the applicable Final Terms; or

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

Interest Periods will be specified in the applicable Final Terms.

Zero Coupon Public Pandbrievén

Zero Coupon Public Pandbrievén 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 Conditions).

General information

Ratings

Each Series of Public Pandbrievén issued under the Programme may be rated by Fitch France S.A.S. (“**Fitch**”), by Moody’s Investors Service Ltd. (“**Moody’s**”), by S&P Global Rating Europe Limited (“**S&P**”) and/or rated by such other rating agency as shall be specified in the 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 Pandbrievén is to be rated, such rating will be specified in the applicable Final Terms and will not necessarily be the same as the ratings assigned to Public Pandbrievén previously issued under the Programme.

Whether or not a rating in relation to any Series of Public Pandbrievén will be treated as having been issued by a credit rating agency established in the European Union 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.

Tax Gross-up

All payments of principal and interest by or on behalf of the Issuer in respect of the Public Pandbrievén 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 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 Condition 5 (*Tax Gross-up*).

Listing and Admission to Trading

Where specified in the applicable 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 Final Terms. Alternatively, the Series of Public Pandbrieven may remain unlisted.

Use of Proceeds

The net proceeds from the issuance of Public Pandbrieven by the Issuer will be used by the Issuer for 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 Final Terms.

SECTION 2 RISK FACTORS

An investment in the Public Pandbrieven 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 Public Pandbrieven. The risks described below are risks which the Issuer believes may have a material adverse effect on the Issuer's business, financial condition, results of operations, future prospects and the value of the Public Pandbrieven or the Issuer's ability to fulfil its obligations under the Public Pandbrieven. All of these factors are contingencies which may or may not occur. Additional risk 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, financial condition, results of operations or future prospects or may result in other events that could cause investors to lose all or part of their investment.

In case of doubt in respect of the risks associated with the Public Pandbrieven 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 these Public Pandbrieven, the appropriate tools to analyse that investment, and the suitability of that investment in each investor's particular circumstances. No investor should purchase the Public Pandbrieven described in the Base Prospectus unless that investor understands and has sufficient financial resources to bear liquidity, market, extension and other risks associated with an investment in these Public Pandbrieven. The market value can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Public Pandbrieven.

*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 is followed by the Issuer's assessment of whether such Global Criticality can be assessed as high, medium or low.*

Capitalised terms used herein and not otherwise defined shall bear the meaning ascribed to them in the "Terms and Conditions of the Public Pandbrieven" below. 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 Public Pandbrieven.

Risk factors have been grouped as set out below:

- Risks related to Belfius Bank ; and
- Risks related to the Public Pandbrieven.

The risks associated with a particular Series 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 Public Pandbrieven. More than one risk factor may have simultaneous effect with regard to the Public 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 Public Pandbrieven.

2.1 Risks related to Belfius Bank

Since the World Health Organization (WHO) declared the COVID-19 outbreak a public health emergency of international concern in January 2020, it has spread across the globe. The WHO has continuously raised its global risk outlook and announced more new cases outside of China than within for the first time on 26 February 2020. The outbreak is a major shock weighing on global financial markets and is now expected to heavily impact global economic growth. It is expected that there is significant disruption to economic activity, particularly a slowdown in production and a reduction in domestic and foreign demand, and may consequently have an impact on the financial position of Belfius (amongst others solvency, liquidity, insurance premiums, interest margin, fee income, fair value results as well as cost of risk).

As fully fledged diversified bank-insurer that is positioned successfully in every segment of the Belgian economy, a slowdown of the economy may have an impact on the new production in mortgages loans, business and corporate loans or public and social sector loans for Belfius.

The credit cost of the first half 2020 will be characterised mainly by impairments on a number of loans. Going forward, no reliable estimate can be made at this point on the size of the impact of the COVID-19 pandemic on our credit costs, because a number of events such as the length and depth of the downturn of the economy and legislative actions that are being taken by authorities may have an impact on our assessment of future loan losses.

To calculate the Expected Credit Losses (“ECL”) per IFRS 9 Belfius uses four weighted forward-looking scenarios. The forward looking scenarios are based on macro-economic parameters namely optimistic, neutral, pessimistic and a stress case, whilst the weights are adapted to the specific circumstances and prospects of each scenario. In light of the current COVID-19 crisis, it is not inconceivable that the macroeconomic scenarios could deteriorate further for an undeterminable period as well as an increase of the weights assigned to the pessimistic and stress scenarios, all of which will have a negative impact on the ECL. Nevertheless, counteractive measures that are and will be taken by different authorities (such as central banks, national authorities with possible guarantee schemes, regulators, other European authorities, etc.) need to be taken into account as well. It is impossible, at this stage, to estimate the potential adjustments to the ECL under the current macro-economic environment that is unpredictable and uncertain as a result of the worldwide COVID-19 crisis.

The COVID-19 pandemic has triggered a chain of events in the markets that has led to a massive sell-off across asset classes and a sharp increase in volatility affecting amongst others stock markets, credit spreads, interest rates and oil prices. This increased volatility currently observed in financial markets adversely affects the financial instruments at Fair Value, including those instruments at Fair Value through P&L. In the case of Belfius, the most important factor has been the negative evolution of the credit spread at Belfius Bank. The sensitivity table provided in page 301 of the annual report 2019 can be used to estimate the impact over the first quarter 2020. The rest of the impact arises from market movements in interest rates and other equity instruments.

As a consequence of the COVID-19 outbreak, operational risk is increasing and is being monitored closely. The business continuity plan has been activated.

The significant deterioration in the economic outlook has brought about an unprecedented monetary policy response from central banks and governments around the world, resulting in flattening yield curves and widening credit spreads.

Given that new government, regulatory and sector-related measures are being taken every day, it is impossible at this stage to make a reliable estimate of what the consequences will be for the global

economy and, more specifically, for Belfius. Belfius is closely monitoring the situation. Belfius is adopting a cautious and conservative approach. Its Tier 1 ratio and total capital ratio are solid and in terms of liquidity, Belfius is able to rely on solid reserves.

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

2.1.1 Risks related to the financial situation and business activity

2.1.1.1 Credit risk (Global Criticality: High)

Credit risks are inherent in 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 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 or real estate values, operational failure or other factors may cause them to default on their obligations towards Belfius Bank.

Belfius Bank uses mainly the Advanced Internal Ratings-Based ("AIRB") approach to calculate the probability of default, the loss given default and credit conversion factor in order to determine the capital requirement for a given exposure. The AIRB consists of assigning a scaled credit quality to each counterparty. Subject to certain minimum conditions and disclosure requirements, banks that have received regulatory approval to use the IRB approach may rely on their own internal estimates or risk components in determining the capital requirement for a given exposure.

While risk across borrower classes remains relatively low, certain categories of loans are subject to higher credit risk. In particular, the National Bank of Belgium ("NBB") has expressed concern with regard to the evolution of the Belgian residential real estate and mortgage market (Belfius' exposure on mortgage loans as per 31 December 2019 stood at EUR 35.5 billion, which represents 35% of the loans to customers). Belfius Bank remains focused on monitoring the higher risk segments of its mortgage loan book, including mortgages with longer repayment terms, mortgages with a high loan-to-value ratio and loans with high debt service costs relative to the relevant borrower's income and the share in its portfolio of mortgage 'buy to let' loans. In light of the NBB's concerns, exposure to corporates in the real estate sector, which have been increasing rapidly, is also an area of focus for Belfius Bank.

The external rating agencies, Moody's, Fitch and S&P, also emphasize the risks related to increasing economic indebtedness and growing economic imbalances in Belgium, notably in the real estate sector.

Furthermore, in relation to Belfius Bank's lending to public institutions, changes in budgetary and taxation policy may affect the asset quality of loans to municipalities. In addition, one key area of attention is the hospital sector. Belgian hospitals have a low profitability. One third of hospitals are making a loss. The sector is undergoing a structural transformation after the Minister of Public Health launched the care reform plan, a multi-year plan reshaping the hospital landscape. One of the effects is the regrouping of general hospitals into hospital networks. For Belfius this could increase concentration. The 6th state reform, assigning the power to recognize hospitals to the Regions, could also have an impact, as less public guarantees will be available for future financing.

Finally, since 2011, Belfius Bank has been engaged in a tactical de-risking of the ex-legacy portfolios until end 2016. Belfius Bank has been successful in achieving its aim of bringing the risk profile of the

ex-legacy portfolios in line with the risk profile of its Retail and Commercial and Public and Corporate segments. As from 1 January 2017, the remainder of these ex-legacy portfolios have been integrated in Group Center and the remaining securities are being managed in natural run-off. An important component of these ex-legacy portfolios (total notional of Belfius' ex-legacy portfolio as per 31 December 2019 stood at EUR 25.7 billion) is the large outstanding stock of derivatives (total notional of Belfius' ex-legacy derivatives portfolio as per 31 December 2019 stood at EUR 18.4 billion) and bonds mainly composed of long-term inflation linked bonds issued by highly regulated UK utilities and infrastructure companies (total notional as per 31 December 2019 stood at EUR 1.3 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 risk appetite framework. The inflation linked nature of these bonds makes them furthermore sensitive to UK real rates. 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 increased collateral posting from Belfius Bank which could put Belfius' overall liquidity under pressure in case of a liquidity crisis in the financial markets.

With regards to the Asset and Liability Management ("ALM") Liquidity bond portfolio an important concentration is to be noted on long-term Italian sovereign bonds. The external rating agencies also point out the remaining ex-legacy portfolios as a potential rating pressure if not scaled back as planned. However they also acknowledge the significant efforts that have been made since 2011. There can, however, be no assurance that the risk profile of these ex-legacy portfolios will remain at current levels.

No assurances can be given that the strategy and framework to control the general credit risk profile and to limit risk concentrations will be effective and that these risks will not have an adverse effect on Belfius Bank's results of operations, financial condition or prospects. Nevertheless all rating agencies currently see a downgrade as unlikely.

2.1.1.2 Profitability (Global Criticality: Medium)

Changes in the profitability and changes in the expectations about the future profitability can influence the secondary market value of Belfius' liabilities. Though the Belfius 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 market factors. These factors are beyond the control of Belfius Bank.

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 European Central Bank ("ECB") impacts in an important way the Net Interest Rate Margin ("NIM") of commercial banks, like Belfius. This NIM contains the bank revenues from its normal lending and borrowing activity and for Belfius it constitutes a non-negligible part of the overall income. By making interest rates negative and by massively buying government bonds, the ECB exerts a negative pressure on this NIM, potentially reducing total profitability.

Moreover, the interest rates that Belfius has to pay on its regulated deposits cannot go negative but are, by law, floored at 0.11% per year. This constitutes a cost for the bank, as retail deposits are an important source of funding. This cost increases when market rates decrease further. Depending on future evolutions of the economy and the inflation rate, the ECB may push interest rates further into negative territory and/or flatten the rate curve even further.

2.1.1.3 Operational risk – Non financial risks (Global Criticality: Medium)

Non-Financial Risk ("NFR") is covering all risks except "financial risks" (such as market, ALM, liquidity, credit and insurance risks). NFR covers among others operational risks (including fraud, HR,

IT, IT security, business continuity, outsourcing, data-related risks, privacy, ...) as well as reputational, compliance and legal risks.

Belfius' losses stemming from operational incidents remain relatively stable and limited. The main areas of operational losses were 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. When focussing on specific risks:

- Threats against data and information are their loss of integrity, their loss of confidentiality and their unplanned unavailability. The mission of information security is to guard against these threats. An information security strategy derived from these principles has been approved by the Board of Directors and is now applied by the organisation in all the information security axes. The new security roadmap has been aligned for with the information security objectives and strategy approved by the Board of Directors. This helps to make sure all dimensions were taken into account without weak link.
- The respect for privacy and the protection of personal data is a key commitment at Belfius. GDPR conformity is integrated into the processes to offer products, innovative digital tools, services and information sharing to its clients.
- In line with the overall commitment to deliver value-adding products and services, Belfius wants to be extremely severe when assessing capacities with regards to fraud. A zero-tolerance policy line is applicable for all forms of fraud (internal, external as well as mixed fraud) and Belfius implements an extremely severe policy line to achieve its anti-fraud objectives. Based on the actual figures, Belfius Bank's fraud losses remain limited. However, fraud risks are in constant evolution and require specific attention.

2.1.1.4 Liquidity (Global Criticality: Medium)

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

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 and similar customers and the way these funds are allocated to customers through all type of loans;
- the volatility of the collateral that is to be deposited at counterparties in respect of 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; and
- the capacity to obtain interbank and institutional funding.

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 evolutions in the financial markets, to regulation and to access to interbank and other markets. As the funds collected from retail and other clients constitute an important share of Belfius' liabilities, adverse market events, such as unexpectedly strong and lasting increases in interest rates may trigger changes in the behaviour of our clients in such a way that liquidity risks materialise despite Belfius' prudent management. Further to this, collateral outflows linked to Belfius' 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.

2.1.1.5 Market Risk (Global Criticality: Medium)

Market Risks are inherent to a range of Belfius Bank's businesses. Apart from the interest rate risk which is specified under "2.1.1.2. Profitability", Belfius is particularly sensitive to changes in the market value (in the form of value adjustments) related to specific risks within its derivatives book (mostly market value linked to counterparty credit risk or to funding costs linked to collateral posted on the hedge transaction). These value adjustments are mostly related to the ex-legacy portfolio.

Moreover, the hedging of structured retail products with illiquid equity indices as underlying has structurally increased the equity risk. New derivative single stock activity might also bring additional equity risk.

2.1.1.6 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 solely limited to Belgium can be assessed as a competitive disadvantage compared to its peer 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 share 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 behaviour, 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 ("PSD2"), 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.

2.1.2 Legal risk and regulatory risk – changing regulations (Global Criticality: Medium)

As is the case for all credit institutions, Belfius Bank's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates, mainly in Belgium.

Recent years were marked by significant changes to regulatory regimes, including the endorsement by the EU of an amendment of various regulations, *inter alia*, the Capital Requirements Regulation ("CRR"), the Capital Requirements Directive ("CRD"), the Bank Recovery and Resolution Directive ("BRRD") and the Single Resolution Mechanism Regulation ("SRMR"). The "EU revised Banking Package" has been agreed in April 2019. It aims at reducing the risks in the banking sector by reinforcing banks' ability to withstand potential shocks.

In addition, on 7 December 2017 the Basel Committee announced a final agreement on the finalisation of Basel III (applicable as from 2023 at the earliest). This will result in an increase of the capital requirements for CET1. Belfius expects this impact to be manageable. Such impact can preliminarily be assessed around 1.00%-1.25% of CET1 ratio, based on the current agreement. This estimation is however subject to the transposition of the international agreement in EU legal framework, the discretion of the macro prudential authority to mitigate the impact of different measures and the

forthcoming structure of the balance sheet. In the event that the European authorities when transposing the Basel agreement were to deviate from this final agreement, this could have a significant impact on Belfius Bank's solvency position. Besides, in the event that the discussions at the level of the Basel Committee on Banking Supervision regarding sovereign and public exposures were to lead to an agreement on these matters, this could also materially affect Belfius Bank's capital requirements. Finally, this impact does not take into account any Targeted Review of Internal Models (TRIM) potential effects as well as the implementation of EBA guidelines related to Loss Given Default (LGD) and new definition of default.

Belfius Bank's business and earnings are also affected by fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments and international agencies. The nature and impact of future changes to such policies are not predictable and are beyond Belfius Bank's control.

Belfius Bank conducts its business subject to on-going regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations mainly in Belgium but also in the other regions in which Belfius Bank does business. Changes in supervision and regulation, in particular in Belgium, could materially affect Belfius Bank's business, the products and services offered by it or the value of its assets.

Any future changes to the derivatives regulations in particular, could affect Belfius in particular, especially in relation to its remaining outstanding notional amount of derivatives with Dexia-entities and non-collateralized interest rate derivatives with international non-financial counterparties.

As at the date of this Base Prospectus, the interest rate benchmark reforms (LIBOR, EURIBOR, ...) leave uncertainties with regard to the conditions that shall apply for the transition of the stock of derivatives, which could affect Belfius.

2.2 Risks linked to the Public Pandbrievien

2.2.1 Liquidity risk

The maturity and amortisation profile of the Cover Assets may not match the repayment profile and maturities of the Public Pandbrievien, therefore creating a need for liquidity solutions at the level of the Programme.

The liquidity risk at Programme level is mitigated by the 180-days liquidity test provided by the Belgian Covered Bonds Regulation which requires that the Cover Assets must generate sufficient liquidity or include enough liquid assets over a period of 6 months in order to enable the Issuer to make all unconditional payments on the Public Pandbrievien falling due during the following 6 months (see Section 6.2.3.4). To comply with the test, the Issuer is entitled to enter into a liquidity facility or to hold liquid assets (see Section 6.2.3.4). Under the terms of the Public Pandbrievien, the Issuer furthermore has the option to subscribe to its own Public Pandbrievien for liquidity purposes (including, without limitation, for transactions with the European Central Bank) (see Condition 3(g) (Redemption, Purchase and Options – Purchases) and 3(h) (Redemption, Purchase and Options – Subscription to own Public Pandbrievien). Also, the maturity of the Public Pandbrievien will automatically be extended if and to the extent that the Issuer would not be in a position to repay the Public Pandbrievien within five (5) Business Days of their Maturity Date or if, on the Maturity Date, there is another Series of Public Pandbrievien outstanding 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 Public Pandbrievien for purposes of the Liquidity Test.

2.2.2 Market risk

The interest rate risk is one of the central risks of interest-bearing Public Pandbrieven. The interest rate level on the money and capital markets may fluctuate on a daily basis and cause the value of the Public 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 Public Pandbrieven and Zero Coupon Public 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 Public Pandbrieven than on the prices of interest bearing Public Pandbrieven because the discounted issue prices are substantially below par. If market interest rates increase, Zero Coupon Public Pandbrieven can suffer higher price losses than other Public Pandbrieven having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Public 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 Cover Assets and the rates of interest payable under Public Pandbrieven (which may, for example, be fixed rates or floating rates). This risk is mitigated by overcollateralisation and/or derivatives, in line with the regulatory requirements.

2.2.3 Extension risk

The terms and conditions of the Public Pandbrieven issued pursuant to this Base Prospectus contain an Extended Maturity Date, as a result of which the Maturity Date will be automatically extended by one year if the Issuer fails to redeem the Public Pandbrieven in full within five Business Days of their Maturity Date or if, on the 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. Accordingly, Noteholders are exposed to an extension risk. In that event, the Public Pandbrieven will bear interest on the principal amount outstanding of the Public 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 Public Pandbrieven on any Interest Payment Date falling after such extension, the Issuer shall be required to redeem the outstanding principal amount under such Public Pandbrieven on any such Extension Payment Date (or any other date in accordance with Condition 3(j)(i)(E) (Redemption, Purchase and Options- Extension of Maturity up to Extended Maturity Date)).

The extension of the maturity of the particular Series of the Public 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 Special Estate and no payment will be payable to the Noteholders in that event other than as set out in the Conditions 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 Public 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 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.

2.2.4 Value and maintenance of the Special Estate

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

may increase or decrease, the value of the Special Estate may vary over time. The Issuer makes no representation, warranty or guarantee that the value of any of the Cover Assets will remain at the same level as it was on the date of the registration of the relevant Cover Asset in the Special Estate or at any other time.

Although the Cover Tests (and the Issuer's obligations to remedy breaches of the Cover Tests) are intended to ensure that the value of the Special Estate (as determined in accordance with the Belgian Covered Bonds Regulations) is greater than the principal outstanding amount of Public Pandbrieven covered by the Special Estate, no assurance can be given that the income generated by or proceeds resulting from any sale or realisation of the 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 Cover Assets.

In addition, even though the Issuer will be under the obligation to register additional assets to the 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 Special Estate in the future.

2.2.5 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 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 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 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 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 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 Civil Code. Absent any such election, the payment would, in such a scenario, be split pro rata between the Special Estate and the general estate of the Issuer pursuant to Condition 8 (*Allocation*).

2.2.6 Public Sector Exposure debtors may benefit from immunity of enforcement

The 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.

2.2.7 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 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 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 Special Estate which would be subject to any such specific netting arrangement.

The Special Estate may nevertheless still be subject to the rights of the underlying debtors of Public Sector Exposure to invoke set-off against the 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 Special Estate, may additionally affect any sale proceeds of the Special Estate and may ultimately affect the ability of the Issuer or, as the case may be, the Cover Pool Administrator to make payments under the Public Pandbrievien.

2.2.8 Taxation

Potential investors in the Public Pandbrievien 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 Public Pandbrievien are purchased or 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 Public Pandbrievien. 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 the taxation sections of this Base Prospectus.

2.2.9 Change of tax law

The Terms and Conditions of the Public Pandbrievien are, save to the extent referred to therein, based on legislation in effect as at the date of issue of the Public Pandbrievien. No assurance can be given as to the impact of any possible judicial decision or changes to the laws in Belgium, other jurisdictions (such as FATCA under US law) or on a supranational level (e.g. EU Financial Transaction Tax) or administrative practice after the date of issue of the Public Pandbrievien. Investors should note that the provisions of the Terms and 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 tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Public Pandbrievien may change at any time (including during any subscription period or the term of the Public Pandbrievien). Any such change may have an adverse effect on a Noteholder, including that the Public Pandbrievien 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.

2.2.10 Secondary Market Risk

Public 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 Public 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 Public Pandbrieven may upon issue 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 Public 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 Public 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 Public Pandbrieven readily or at prices that will enable the investor to realise a desired yield.

This holds particularly true for any Series of Public 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 Public Pandbrieven generally would have a more limited secondary market and higher price volatility than conventional debt securities. Lack of liquidity may have a materially adverse effect on the market value of 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 2018² and 31 December 2019³, including the reports of the statutory auditors in respect thereof, and the separate documents entitled “Alternative Performance Measures” (the “APM”) for the years ended 31 December 2018⁴ and 31 December 2019⁵. 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 Public Placements 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 or approved by the FSMA.

The tables below set out the relevant page references for the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of change in equity, consolidated cash flow statement, notes to the consolidated financial statements, audit report on the consolidated accounts, non-consolidated balance sheet, non-consolidated statement of income and audit report on the non-consolidated accounts of Belfius Bank as set out in the Annual Reports of the Issuer of 2018 and 2019, as for the APM of 2018 and 2019. The non-incorporated parts of such documents are not relevant for the investor or are covered elsewhere in this Base Prospectus.

Information contained in the documents incorporated by reference other than information listed in the tables below is for information purposes only, and does not form part of this Base Prospectus.

The consolidated balance sheet and consolidated statement of income of Belfius Bank for the years 2018 and 2019 can also be found in the section headed “Description of the Issuer” on pages 131 to 166 of this Base Prospectus.

Audited consolidated accounts of Belfius Bank for the financial years ended 31 December 2018 and 31 December 2019

² https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_RA_2018_en.pdf

³ https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_RA2019_eng.pdf

⁴ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/APM.pdf>

⁵ https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/APM_FY_2019.pdf

Belfius Bank SA/NV

	Annual Report 2018 (English Version)	Annual Report 2019 (English Version)
consolidated balance sheet	144	176
consolidated statement of income	148	178
consolidated statement of comprehensive income	150	180
consolidated statement of change in equity	152	182
consolidated cash flow statement	158	187
notes to the consolidated financial statements	161	189
audit report on the consolidated accounts	318	326
non-consolidated balance sheet	330	336
non-consolidated statement of income	333	339
audit report on the non-consolidated accounts	336 ⁶	341 ⁷

APM for the financial years ended 31 december 2018 and 31 December 2019

	Alternative performance measures 2018	Alternative performance measures 2019
common equity tier 1 ratio	1	1
tier 1 ratio	1	1
total capital ratio	2	1
leverage ratio	2	1
solvency II ratio	2	2
net interest margin	3	2
cost-income ratio	3	3
asset quality ratio	4	3

⁶ 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: https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/fr/bel_RA_2018_fr.pdf (French version - on page 392) and https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/nl/bel_RA_2018_nl.pdf (Dutch version - on page 398).

⁷ 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: https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/fr/bel_RA1019_fr.pdf (French version - on page 390) and https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/nl/bel_RA2019_nl.pdf (Dutch version - on page 398).

coverage ratio	4	3
liquidity coverage ratio	5	2
net stable funding ratio	5	2
return on equity	6	4
total savings and investments	7	5
total loans to customers	8	6
ALM liquidity bond portfolio	9	6
ALM yield bond portfolio	9	6
credit guarantee portfolio	9	7
funding diversification	10	7
adjusted results	12	10

SECTION 4

PROSPECTUS SUPPLEMENT

Under Article 23 (1) of Regulation (EU) 2017/1129 (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 Public Pandbrieven 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 323 (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 Public 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

PROGRAMME DESCRIPTION

The Issuer may from time to time issue Public Pandbrieven under the Programme. The aggregate principal outstanding 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).

Holders of Public Pandbrieven issued under the Programme (and the Other Creditors) will benefit from an exclusive recourse against the same Special Estate. The main asset class of the Special Estate will consist of Public Sector Exposure. The eligible public sector exposure pool is determined in line with the Belgian Covered Bonds Regulations. The selection of the Public Sector Exposure out of that eligible public sector exposure pool, that is registered as Cover Asset, is based on criteria such as (but not limited to) maturity, type of interest rate, etc. in order to optimise the management of the 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 principal outstanding amount of the Public Pandbrieven of all Series. Both the issued Public Pandbrieven and the Public Sector Exposure and any other Cover Assets will be registered in the Cover Register. Investor reports with details on, among others, the composition of the Special Estate will be made available on the website of the Issuer (www.belfius.be) on a monthly basis.

Under the Programme, the Issuer may issue Public Pandbrieven subject to the terms and conditions (and relevant 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 will be set out in a schedule to the Programme Agreement (as defined below).

I. Programme Agreements

1.1 Programme Agreement

The 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 “**Common Terms**”) which will apply to all Public Pandbrieven issued under the Programme (including, without limitation, N Bonds). These Common Terms include the Post-Acceleration Priority of Payments, the Payment Default provision and cross-acceleration, the Rules of Organisation of the Noteholders, the Noteholders’ Waiver, certain provisions required by the Belgian Covered Bonds Regulation, certain Issuer Covenants, and specify, for the avoidance of doubt, that all the holders of Public Pandbrieven will be represented by the Noteholders’ Representative and will benefit from an exclusive recourse against the Special Estate. The Programme Agreement further provides that a Programme Resolution will be required for any amendment to the Common Terms, unless (i) the Noteholders’ Representative is of the opinion that such amendment will not be materially prejudicial to the interests of the Noteholders, (ii) that the amendment is of a formal, minor or technical nature or, in the opinion of the 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 Programme Agreement also provides that no Public Sector Exposure can be deregistered from the Special Estate without prior approval of the Cover Pool Monitor in case such deregistration would lead to a decrease of the ratio between the value of the Cover Assets and the principal outstanding 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 whereby the value of the Cover Assets does not decrease with more than EUR 10,000,000 due to this substitution.

1.2 Noteholders' Representative Agreement

Pursuant to the 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 Other Creditors which have agreed thereto) will be represented by the Noteholders' Representative which shall have the powers and rights conferred on it by the applicable terms and conditions, the Rules of Organisation of the Noteholders and the Noteholders' Representative Agreement.

1.3 Agency Agreement

The Public Pandbrieven issued under the Base Prospectus will also have the benefit of an 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.

1.4 Distribution Agreement

Pursuant to and subject to the terms of the 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 Dealers that are party thereto to issue Public Pandbrieven. The Issuer may also decide to issue Public Pandbrieven which are not subject to the Distribution Agreement.

1.5 Clearing Services Agreement

The Issuer has entered into a 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 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 Programme Agreement, the Noteholders' Representative Agreement, the Agency Agreement, the Distribution Agreement, the Clearing Services Agreement and any other agreement or document entered into from time to time under or in connection with the 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 "**Programme Documents**"). Unless otherwise specified, the Programme Documents will be governed by Belgian law.

Pursuant to the terms of the 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). 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 Programme or issuance of any Public Pandbrieven. Each of the Programme Documents shall further contain specific provisions for the amendment, supplement, replacement and/or restatement of such agreement and a reference to any Programme Document shall be deemed a reference to such agreement as the same may from time to time be amended, supplemented, replaced and/or restated.

II. 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 Public Pandbrieven issued 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 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 new dedicated regulatory regime for the issuance of covered bonds by Belgian credit institutions was adopted in August 2012. 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 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**”):

- The Law of 3 August 2012 establishing a legal regime for Belgian covered bonds (*Wet van 3 augustus 2012 tot invoering van een wettelijke regeling voor Belgische covered bonds/Loi du 3 août 2012 instaurant un régime légal pour les covered bonds belges*), which has been incorporated in 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 may be 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 may be amended from time to time, the “**Cover Pool Administrator Royal Decree**”);

- The Regulation of the NBB concerning the practical modalities for the application of the Law of 3 August 2012 that establishes a legal regime for Belgian covered bonds dated 29 October 2012 (*Circulaire van 29 oktober 2012 over de praktische regels voor de toepassing van de wet van 3 augustus 2012 tot invoering van een wettelijke regeling voor Belgische covered bonds/Circulaire du 29 octobre 2012 relative aux modalités pratiques d'application de la loi du 3 août 2012 instaurant un régime légal pour les covered bonds*) (the “**NBB Covered Bonds Regulation**”); and
- The Regulation of the NBB addressed to the statutory auditors and the cover pool monitors of Belgian credit institutions with respect to their involvement in the context of the issuance of Belgian covered bonds dated 29 October 2012 (*Circulaire van 29 oktober 2012 aan de portefeuillesurveillanten bij kredietinstellingen naar Belgisch recht die Belgische covered bonds uitgeven/ Circulaire du 29 octobre 2012 aux surveillants de portefeuille auprès d'établissements de crédit de droit belge qui émettent des covered bonds belges*) (the “**NBB Cover Pool Monitor Regulation**”).

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:

- are issued by a credit institution governed by Belgian law which is authorised to issue covered bonds and included in the list referred to in Article 82, §3, 1° of the Banking Law;
- are included itself or, if issued under a programme, the programme and each debt instrument issued thereunder is included in the list of Belgian covered bonds referred to in Article 82, §3, 2° of the Banking Law; and
- are covered by a special estate on the balance sheet of the issuing credit institution.

Article 6 of the Banking Law and Article 2 of Annex III to the Banking Law provide that covered bonds which comply with the Belgian capital adequacy legislation implementing the European capital adequacy rules, *i.e.* 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 (the “**CRD Directive**”) and Regulation 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (the “**Capital Requirements Regulation**” or “**CRR**” and, together with the CRD Directive, “**CRD V**”) may be referred to as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*). Covered bonds comply with the CRD V if they are bonds as defined in Article 52(4) of Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transfereable securities (UCITS) (the “**UCITS Directive**”) and if the Cover Assets comply with the eligibility requirements and valuation rules as set out in Article 129 of the Capital Requirements Regulation.

Pursuant to Article 13 of the Covered Bonds Royal Decree, covered bonds which comply with the requirements set out in the Covered Bonds Royal Decree will be deemed to comply with the UCITS Directive and the CRD V and may therefore be referred to as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*).

The covered bonds issued under the Programme are referred to as Public Pandbrieven as they comply with the relevant requirements for Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*).

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 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 special authorisation 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, the Supervisory Authority will publish:

- (a) a list of credit institutions that are authorised to issue Belgian covered bonds (www.nbb.be); and
- (b) a list that specifies, per credit institution, the programmes (and the issuances thereunder) or issuances that have been authorised. This list is divided into a list of covered bonds and a list of Belgian pandbrieven (www.nbb.be).

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 if, 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; and
- (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.

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 and the extent to which the maturity dates of the Belgian covered bonds coincide with those of the Cover Assets. 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 if, on the basis of the information referred to above, it is satisfied that the following conditions have been met:

- (a) the issuing credit institution has obtained a General Authorisation; and
- (b) the Cover Assets meet the requirements of the Belgian Covered Bonds Regulations (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 are registered (the “**Cover Register**”).

The special estate includes by operation of law:

- (a) all assets registered in the Cover Register (the “**Cover Assets**”);
- (b) the assets (cash or financial instruments) received as collateral in the context of hedging instruments which are part of the special estate;
- (c) all security interests and sureties, guarantees or privileges under whichever form that have been granted in relation to 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 assets or of the rights mentioned 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.

Pursuant to a revindication mechanism provided by Article 3, §2, second indent of Annex III to the Banking Law, the ownership rights of the special estate in respect of 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 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 hedge counterparties.

The distribution or priority rules in relation to the obligations towards the noteholders and the obligations towards such other creditors of the 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 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 6.2.3.4); and
- (d) the Cover Register and the registration of Cover Assets therein meet the requirements set out in the Belgian Covered Bonds Regulations (see section 6).

Furthermore, the credit institution must establish risk management policies in relation to interest rate and currency exchange risks. The credit institution must ensure that the liquidity generated by such hedging instruments is sufficient to meet the applicable tests in the case of sudden and unexpected movements and/or, as the case may be, dispose of other assets that can be sold or mobilised quickly in order to provide relevant coverage.

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

The special estate may be composed of assets falling within any of the following five categories: residential mortgage loans (including residential mortgage backed securities (“RMBS”)) (category 1), commercial mortgage loans (including commercial mortgage backed securities (“CMBS”)) (category 2), public sector exposure (including public asset backed securities (“ABS”)) (category 3), exposure to credit institutions (category 4) and hedging instruments (category 5).

(a) Mortgage loans

The 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”). 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. 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.

- (b) Public sector exposure (category 3): receivables on or guaranteed or insured by (i) central, regional or local authorities of member states of the Organisation for Economic Co-operation and Development (OECD), (ii) central banks of these member states, (iii) public sector entities of these member states or (iv) multilateral development banks or international organisations that qualify for a 0 per cent. risk weighting as set out in Article 117 CRR.
- (c) RMBS, CMBS and ABS issued by securitisation vehicles that securitise exposure on assets primarily composed of the assets sub (a) and/or (b) above and that meet the following conditions:
 - (i) the securitisation vehicle is governed by the laws of a member state of the EEA;
 - (ii) the securitisation positions qualify for credit quality step 1 as set out in Article 251 CRR and are part of the most senior tranche of securitisation positions;
 - (iii) at least 90 per cent. of the underlying assets are composed of only one of the categories of residential mortgage loans, commercial mortgage loans or public sector exposure;
 - (iv) the underlying assets have been originated by a group-related entity of the issuing credit institution; and
 - (v) the most subordinated tranche is fully retained by the issuing credit institution or a group-related entity.

Securities issued by securitisation vehicles are only recognised as Cover Assets within the limits imposed by the CRD IV (which permits covered bonds to benefit from a favourable weighting in the context of the “own funds” regulation applicable to credit institutions).

- (d) Exposure to credit institutions (category 4): claims against credit institutions that have the status of credit institution under the law of a member state of the OECD and cash held on account with these credit institutions, as well as sums held by the issuing credit institution for the benefit of the special estate.
- (e) Hedging instruments (category 5): positions resulting from one or more hedging instruments linked to one or more Cover Assets or Belgian covered bonds concerned, as well as sums paid under these positions. The counterparty of these instruments must have the status of a credit institution under an OECD member state.

The hedging instruments may only cover interest rate risk, currency exchange risk or other risks linked to the Cover Assets or the Belgian covered bonds.

The hedging instruments may only be included in the special estate if recovery measures or bankruptcy proceedings opened against the issuing credit institution do not automatically result in the early termination (close-out) of these instruments and if the relevant hedge counterparty cannot invoke an early termination (close-out) in such circumstances. The issuing credit institution may not include hedging instruments in one of the novation or netting agreements to which it is a party.

The credit institution must be able to demonstrate that the default risk of the counterparty is limited. This can be established if the counterparty qualifies for:

- (i) credit quality step 1 or 2 according to Article 120 CRR for Belgian covered bonds that qualify for credit quality step 1; or
- (ii) credit quality steps 1, 2 or 3 according to Article 120 CRR for Belgian covered bonds that qualify for credit quality steps 2 or lower.

Hedging instruments registered in the Cover Register are part of the special estate. Collateral posted with the Issuer under such hedging instrument is part of the special estate by operation of law and can only be used for obligations in relation to the special estate in accordance with the issue conditions and the relevant hedging instrument.

If the hedge counterparty is a group-related entity of the issuing credit institution, it must have the status of credit institution in an EEA Member State and must benefit from credit quality step 1 (as defined in Article 120 CRR). Moreover, the net risk positions arising from these hedging instruments towards these counterparties have to be covered by financial instruments or values as contemplated in Article 197 CRR.

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.

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 (including, respectively, RMBS, CMBS and ABS) 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 exposure.
- (b) the value of the Cover Assets must provide an excess cover such that their value exceeds the principal outstanding amount of the Belgian covered bonds. Per special estate, the value of the Cover Assets must represent at least 105 per cent. of the principal outstanding amount of the issued Belgian covered bonds (the “**Over-Collateralisation Test**”). As a result, the special estate 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 management of the special estate. 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"),

all three together, the "Cover Tests".

6.2.3.3. Cover assets valuation methodology

For the purpose of the 85 per cent. Asset Coverage Test and the Over-Collateralisation Test, 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 of the CRR and the valuation rules set out in Article 229 CRR have been complied with. This does not prejudice the possibility to take into account the value of mortgage mandates, as set out above. If deemed necessary, the Supervisory Authority can impose further requirements with respect to the valuation of immovable real estate.

The value of the real estate is to be tested regularly for residential real estate. A more regular control shall occur in case of significant changes to the market conditions. To this effect, customary methods and benchmarks (such as the Stadimindex) may be used.

- (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 exposure:** 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 or insured by the relevant entities). If the counterparty is not a member of the European Union, the value will be zero. There is, however, an exception for non-EU counterparty exposure:
- (i) in case the non-EU counterparty qualifies for credit quality step 1 (as set out in Article 129 CRR; or
 - (ii) in case the non-EU counterparty qualifies for credit quality step 2 (as set out in Article 129 CRR) and this exposure does not exceed 20 per cent. of the principal amount of Belgian covered bonds outstanding.

In such case, the value will be equal to the book value.

- (d) **RMBS, CMBS and ABS issued by securitisation vehicles:** the value of the receivables corresponds to the lesser of (i) the book value in the books of the issuing credit institution and (ii) the amount of the assets that are underlying to the securitisation, applying the valuation rules set forth above per analogy.
- (e) **Hedging instruments:** no value is given to that category for the purpose of the 85 per cent. Asset Coverage Test and the Over-Collateralisation Test.
- (f) **Exposure to credit institutions:** no valuation is given to this category for the purpose of the 85 per cent. Asset Coverage Test. No valuation is given to this category for purposes of the Over-Collateralisation Test unless:
- (i) the counterparty benefits from a credit quality step 1 as defined in Article 120 CRR. Receivables which are deposits can only be taken into account for the Over-Collateralisation Test, provided that their maturity date does not exceed 12 months from the date on which they are recorded in the Cover Register; or
 - (ii) the counterparty benefits from a credit quality step 2 and the maturity does not exceed 100 days from their registration in the Cover Register; and

in both cases, 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 90 days past due or of which the issuer considers it unlikely that it will recover the full value, may be registered in the Special Estate.

In any event, the value of an asset that is 90 days past due is zero. The value of an asset that is 30 days past due will only be taken into account for 50 per cent. of the value as set out above.

However, in the context of COVID-19, the NBB has communicated on how the value of an asset should be adjusted for the COVID-19 payment holidays (the “Moratorium”).

The following will apply to exposures that fall under the Moratorium and that are at the same time part of the cover pool of a Belgian covered bond.

- Exposures with less than 30 days past due at the date the Moratorium measures are applied to them, can be taken into account for 100% of their coverage value
- Exposures with more than 30 days past due at the date the Moratorium measures are applied to them, should be valued at 50% of their coverage value
- Exposures which are defaulted at the date the Moratorium measures apply to them, shall be valued at 0% of their coverage value.

Further rules for valuation

Moreover, the rules and methodologies for the purposes of valuing the real estate will have to comply with the specific rules set out in Article 5 of the NBB Covered Bonds Regulation (*Circulaire van 23 oktober 2012 over de praktische regels voor de toepassing van de wet van 3 augustus 2012 tot invoering van een wettelijke regeling voor Belgische covered bonds/Circulaire du 23 octobre 2012 relative aux modalités pratiques d'application de la loi du 3 août 2012 instaurant un régime légal pour les covered bonds*).

In accordance with said Article 5, the market value will have to be justified in a clear and transparent manner on the basis of a document established by a person who is independent from the persons who are in charge of granting the relevant loans. An expert report will be required for real estate which has a value of more than 3 million euro or 2 per cent. of the amount of the relevant covered bonds. Otherwise, the value of the real estate can be determined on the basis of the sales value as established in the notarial deed at the time of sale or the valuation report of the architect in the case of real estate in construction. The credit institution must apply a prudent valuation procedure.

For such purposes, the credit institution can make use of a customary valuation methodology used for the determination of the market value. The methodologies fall into two categories. In the first category, the intrinsic value of the real estate is taken as the basis for determining the sales value (which includes a method on the basis of comparison points and on the basis of intrinsic value). The second category is based on future yield value (and includes methods on the basis of yield and discounted cash flow). In order to be accepted by the Supervisory Authority, the value must be obtained by using more than one of these valuation methodologies and it is advisable to combine methodologies of the two categories.

The value of the real estate must be controlled on a periodic basis, being at least once a year for commercial real estate and at least once every three years for residential real estate. A more frequent control will be required in the case of a significant change in the market conditions. For such control, use can be made of customary indexation parameters such as Stadimindex. Moreover, real estate must be revalued if the credit institution has information which indicates that the value has decreased significantly. Such revaluation also needs to be carried out by an independent person who has the necessary qualifications. Real estate which has a value of more than 3 million euro or 2 per cent. of the amount of the relevant covered bonds must be revalued at least once every three years.

6.2.3.4. Liquidity Test

At the time of the issuance and for so long as any Belgian covered bonds remain outstanding, the Cover Assets per special estate must, over a period of six months, generate sufficient liquidity or include sufficient liquid assets in order to enable the issuing credit institution to make all unconditional payments on the Belgian covered bonds (including principal, interest and other costs relating to the management and administration of the special estate) falling due during the following six months (the “**Liquidity Test**”).

Liquid assets are assets that (i) meet the criteria set out in section 6.2.3.1 above and (ii) qualify as liquid assets under the Regulation of the NBB of 2 June 2015 on the liquidity of credit institutions, as approved by a Royal Decree of 5 July 2015.

To comply with the Liquidity Test, the issuing credit institution will be entitled to enter into a liquidity facility, provided that the counterparty is a credit institution that is not part of the group and that benefits from the credit quality step 1 (as defined in Article 120 of the CRR).

The liquidity that is made available pursuant to the liquidity facility is taken into account for the calculation of the Liquidity Test, provided that:

- (a) the liquidity facility can be used only for payment on the Belgian covered bonds; and
- (b) the funds drawn under the liquidity facility cannot be used for any other activities.

The funds drawn under the liquidity facility will be part of the special estate by operation of law.

If an issuing credit institution fails to meet the requirements of the Liquidity Test, it will have 14 days 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).

6.2.3.5 The Cover Register

As from their registration in the Cover Register, the assets, including the relevant hedging instruments, 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 hedging instruments 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, hedging instruments 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.

6.2.3.6 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 can remove the credit institution from the list of Belgian covered bond issuers and revoke the issuing credit institution's authorisation to issue Belgian covered bonds. As mentioned above, for so long as the issuing credit institution is in breach of the Liquidity 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 urgent circumstances, the Supervisory Authority can remove an issuing credit institution from the list of credit institutions that are authorised to issue Belgian covered bonds, without any grace period. The Belgian Covered Bonds Regulations provide that this will not affect the registration of outstanding Cover Assets.

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 2,500 to EUR 2,500,000.

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 Supervisory Authority 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 the 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 as mentioned in Article 236 of the Banking Law against the issuing credit institution if such measure may, in the opinion of the Supervisory Authority, have a negative impact (*negatieve impact/impact négatif*) on the noteholders;
- (b) upon the initiation of bankruptcy proceedings against the issuing credit institution;
- (c) upon the removal of the issuing credit institution from the list of Belgian covered bonds issuers; and
- (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 noteholders.

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. 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 hedging and liquidity transactions and carrying out of certain administrative tasks.

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

A credit institution cannot issue any 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 Supervisory Authority can request the issuing credit institution to further limit the amount of Belgian covered bonds to be issued if it deems this necessary in order to protect the rights of the general creditors of the issuing credit institution, other than the noteholders.

On the other hand, in case of exceptional circumstances on the financial markets which effect the issuing credit institution and which warrant an increased use of this source of financing, the Supervisory Authority can temporarily allow such credit institution to issue Belgian covered bonds beyond the 8 per cent. limit. In the report relating to the Covered Bonds Royal Decree, it is specified that such a temporary exemption would be warranted in circumstances where the credit institution would no longer have access to unsecured funding.

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 7:174 of the Belgian Companies Code (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 0) 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 Liquidity Test and is not able to remedy thereto within 14 days, it will be prevented from further issuing Belgian covered bonds as long the Liquidity Test is not met (see section 6.2.3.4).

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 (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 the special estate are, by operation of law, automatically excluded from the bankruptcy estate and exclusively allocated to the special estate. Moreover, creditors of the credit institution's general estate cannot exercise any recourse against, nor attach any assets that fall within, the special estate.

A special mechanism has been created to protect cash held by the issuing credit institution on behalf of the special estate. Pursuant to this mechanism, the ownership rights of the 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. This mechanics aim to mitigate the effect of commingling risk on the collections of the Cover Assets.

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 special estate to another institution.

6.4.2.2. Liquidation of the 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 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 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 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 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 principal outstanding amount of Belgian covered bonds is represented.

In case the 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 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 the special estate

The Special Estate could be transferred to a third party, either as a result of (i) the application of the resolution tools (*afwikkelingsinstrumenten/instruments de résolution*) taken in accordance with Book II, Title VIII of the Banking Law, or (ii) following the commencement of bankruptcy proceedings or recovery measures, if the 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 noteholders against the special estate will be maintained and will follow the special estate.

SECTION 7

USE OF PROCEEDS

The net proceeds from the issuance of Public Pandbrieven by the Issuer will be used by the Issuer for 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 Final Terms.

SECTION 8

TERMS AND CONDITIONS OF THE PUBLIC PANDBRIEVEN

*Unless otherwise specified, the following are the terms and conditions (the “**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 “**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 Final Terms.*

*The Issuer may also issue from time to time Public Pandbrieven under the Belgian Public Pandbrieven Programme (the “**Programme**”) which shall be subject to terms and conditions and/or final terms not contemplated by the base prospectus adopted in relation to the 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 Programme Agreement (as defined below).*

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Save where an intention to the contrary appears, references in the Conditions to “**Public Pandbrieven**” are to the Public Pandbrieven of one Series only, not to all Public Pandbrieven that may be issued under the 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 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 Dealer(s) at the time of the issuance and will be set out in the Final Terms of such Tranche. In these Conditions, “**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 Companies Code. 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 (initially dated 15 July 2014 and as amended, supplemented, replaced and/or restated from time to time, the “**Programme Agreement**”) between the Issuer, Stichting Belfius Public Pandbrieven Noteholders’ Representative in its capacity as representative of the Noteholders and of any other creditors that are holders of claims covered by the Special Estate and that have agreed to be so represented (the “**Noteholders’ Representative**”) and any other party named therein. The powers and rights conferred on the Noteholders’ Representative are laid down in these Conditions, the Rules of Organisation of the Noteholders and in the contractual arrangements between the 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 “**Noteholders’ Representative Agreement**”). Furthermore, the Public Pandbrieven will have the benefit of an agency agreement (initially dated 15 July 2014 and as amended, supplemented, replaced and/or restated from time to time, the “**Agency Agreement**”) between the Issuer, Belfius Bank (among others) in its capacity as fiscal agent for Public Pandbrieven (the “**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 “**Principal Paying Agent**”, the “**Paying Agents**” (which expression shall, unless the context requires otherwise, include the Principal Paying Agent), the “**Fiscal Agent**”, the “**Registrar**” and the “**Calculation Agent(s)**”. The Noteholders are deemed to have notice and have accepted to be bound by all of the provisions of the Programme Agreement, the Noteholders’ Representative Agreement and the 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 Programme Agreement, the Agency Agreement, the Noteholders’ Representative Agreement, the Distribution Agreement and the Articles of Association of the Issuer will be available, during normal business hours on any Business Day, for inspection by Noteholders at the specified offices of the Issuer and each of the Paying Agents for the period of 12 months following the date of the 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*) (the “**Special Estate**”). The main asset class of the Special Estate will consist of Belfius Bank’s public sector exposure 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 or insured 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 (*dekkingswaarden/actifs de couverture*), the “**Cover Assets**”). The Issuer shall procure that the value of the Public Sector Exposure which is part of the 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 principal outstanding 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 Programme and shall indicate that the Public Pandbrieven constitute Belgian pandbrieven under 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 Companies Code and will be credited to the accounts held with the Securities Settlement System by Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Germany, SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal), Monte Titoli (Italy) 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 Condition being referred to herein as the “**Securities Settlement System Regulations**”). If at any time, the Dematerialised Public Pandbrievien are transferred to another clearing system, not operated or not exclusively operated by the NBB-SSS, these 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 Pandbrievien will be registered in a register maintained by the Issuer or by a registrar on behalf of the Issuer (the “**Registrar**”) in accordance with Article 7:23 et seq. of the Belgian Companies Code. Holders of Registered Public Pandbrievien can obtain a certificate demonstrating the registration of the Registered Public Pandbrievien in the register.

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

(c) *Title and Transfer*

Title to and transfer of Dematerialised Public Pandbrievien will be evidenced only by records maintained by the Securities Settlement System, Euroclear, Clearstream Germany, SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal), Monte Titoli (Italy) or other Securities Settlement System participants and in accordance with the applicable procedures of the Securities Settlement System, Euroclear, Clearstream Germany, SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal), Monte Titoli (Italy) and other Securities Settlement System participants.

Title to and transfer of Registered Public Pandbrievien 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 Companies Code. In case of a sale or transfer of the Registered Public Pandbrievien, 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 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 Pandbrievien 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 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 Registrar may require).

(e) *Closed Periods*

No 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 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 principal outstanding amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal (subject as provided in 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 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 principal outstanding amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal (subject as provided in 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 Condition 2(h) (*Interest and Other Calculations – Calculations*). The “**Interest Payment Date**” means the date shown in the applicable Final Terms as a Specified Interest Payment Date, or, if no Specified Interest Payment Date is shown in the applicable 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 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 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 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 Final Terms;
- (b) the Designated Maturity is a period specified in the applicable Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the applicable 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 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. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the 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 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 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 Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Public Pandbrieven will be determined as provided in the applicable Final Terms.

- (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 Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or 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 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 Calculation Agent; and
- (b) if paragraph (a) above applies and the 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 Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, 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 LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone

inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the 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 LIBOR, at approximately 11.00 a.m. (London time) or, 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 Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, 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 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 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 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 Pandbrief*

Where the Rate of Interest of a Public Pandbrief 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 Final Terms, the Early Redemption Amount (as defined in 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 Condition 3(b) (*Redemption, Purchase and Options – Early Redemption*)).

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

Subject as provided in 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 Pandbriev 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 Condition 2 (*Interest and Other Calculations*) to the Relevant Date (as defined in 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 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 Pandbriev 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 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 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 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 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 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 Calculation Agent shall, as soon as practicable on each date as the 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 Principal Paying Agent, the Issuer, each of the Paying Agents, the Noteholders, the Noteholders' Representative, any other Calculation Agent appointed in respect of the Public Pandbrievien that is to make a further calculation upon receipt of such information and, if the Public Pandbrievien 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 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 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 Pandbrievien up to the Extended Maturity Date*

- (i) If the maturity of the Public Pandbrievien is extended beyond the Maturity Date in accordance with Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), the Public Pandbrievien shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Public Pandbrievien are redeemed in full, the Extended Maturity Date or the date on which the Public Pandbrievien are redeemed in full in accordance with Condition 3(j)(i)E (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), subject to Condition 2(e) (*Interest and Other Calculations - Accrual of interest and late payment interest*). In that event, interest shall be payable on those Public Pandbrievien at the rate determined in accordance with Condition 2(j)(ii) (*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) on the principal outstanding 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 Condition 3(j)(i)E (*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 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 principal outstanding 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 Final Terms and, where applicable, determined by the Principal Paying Agent or, where the applicable Final Terms specifies a Calculation Agent, the 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 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 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 principal outstanding 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 Conditions.
- (iv) This 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 Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*).

(k) *Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Final Terms and for so long as any Public Pandbrief is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Public Pandbrieven, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. Nevertheless, if the Calculation Agent is unable or unwilling to act as such or if the 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 Final Terms. In making such determination or calculation, the Issuer may rely on a leading bank or financial institution in the inter-bank market 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 Condition 2, if the Issuer determines that a Benchmark Event occurs in relation to the relevant Reference Rate specified in the applicable 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 Pandbrievien:

- (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 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 Pandbrievien 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, 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 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 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 Noteholders) also specify changes to these Terms and 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 Pandbrievien and (B) the method for determining the fall-back rate in relation to the Public Pandbrievien, 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 Fiscal Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Terms and Conditions as may be required in order to give effect to the application of this Condition 2(l). No consent shall be required from the 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 Fiscal Agent and any other agents party to the 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 Calculation Agent, the Fiscal Agent and, in accordance with Condition 10, the 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 Agency Agreement and these Terms and Conditions (if any),
- (vi) *provided that* the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) and any other related changes to the Public Pandbrievien, shall be made in accordance with the relevant Applicable Banking Regulations (if applicable).

An Independent Adviser appointed pursuant to this 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 Calculation Agent, the Fiscal Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 2(l).

Without prejudice to the obligations of the Issuer under this Condition 2(l), the Reference Rate and the other provisions in this Condition 2 will continue to apply unless and until the 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 Agency Agreement and these Terms and Conditions (if any).

(m) *Definitions*

In these 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 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 Covered Bonds Regulations” means the Banking Law and its executing royal decrees and regulations, as amended 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 Calculation Agent, the Fiscal Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any 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 specified business centres (the **“Business Centre(s)”**) as specified in the applicable 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**” means a cover pool administrator (*portefeuillebeheerder/gestionnaire de portefeuille*) appointed to manage the Special Estate in any of the circumstances as described in Article 8 of Annex III to the Banking Law.

“**Cover Pool Monitor**” means a cover pool monitor (*portefeulesurveillant/surveillant de portefeuille*) appointed in accordance with Article 16, §1 of Annex III to the Banking Law.

“**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 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 Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the applicable 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 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:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” 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 D₁ is greater than 29, in which case D₂ will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable 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:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” 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 D₂ will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified in the applicable 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:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” 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 D₁ will be 30; and

“D₂” 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 D₂ will be 30;

- (vii) if “**Actual/Actual-ICMA**” is specified in the applicable 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 Public Pandbrievens, and unless otherwise specified in the applicable Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable 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 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 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 Special Estate following the appointment of a Cover Pool Administrator and where the context so requires, be deemed to be a reference to the Cover Pool Administrator.

“Lead Regulator” means the NBB, ECB or any successor entity primarily responsible for the prudential supervision of the Issuer.

“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 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 Pandbriefs under the Programme from time to time, which may include Moody’s, Fitch and/or S&P, or such other rating agency as shall be specified in the Final Terms.

“Reference Banks” means in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Calculation Agent or as specified herein.

“Reference Rate” means the rate specified as such in the applicable Final Terms.

“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 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 Noteholders that, upon further presentation of the Public Pandbrief being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

“Rules of Organisation of the Noteholders” means the rules of organisation of the Noteholders as set out in section 9 of the Base Prospectus.

“**Specified Currency**” means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Public Pandbrievs 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 Conditions, each Public Pandbrief shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its principal amount).

(b) Early Redemption

(A) Zero Coupon Public Pandbrievs

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Public Pandbrief, upon redemption of such Public Pandbrief pursuant to Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons*), Condition 3(i) (*Redemption, Purchase and Options – Cancellation*) or Condition 23 (*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 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 Final Terms, the “**Amortisation Yield**” shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Public Pandbrievs 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 Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons*), Condition 3(i) (*Redemption, Purchase and Options – Cancellation*) or Condition 23 (*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 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 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 Condition 3(c) (*Redemption, Purchase and Options – Redemption for Illegality*), Condition 3(d) (*Redemption, Purchase and Options – Redemption for Taxation Reasons*), Condition 3(i) (*Redemption, Purchase and Options – Cancellation*) or Condition 23 (*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 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 Noteholders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount, if the Issuer notifies the 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 Principal Paying Agent and the 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 Noteholders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount, if the Issuer has or will, 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 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 Principal Paying Agent and the 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 Noteholders*

If a Noteholder Put is specified in the applicable Final Terms, the Issuer shall, at the option of the Noteholder and upon the Noteholder giving not less than 15 nor more than 30 calendar days' notice (or such other notice period as specified in the applicable 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 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 Final Terms, the Noteholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained from any Paying Agent or the Registrar, as the case may be, with a copy to be sent to the Issuer at the address specified in the Final Terms within the notice period. In the case of Dematerialised Public Pandbrieven, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Public Pandbrieven to be redeemed to the account of the 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 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 Final Terms) irrevocable notice to the Noteholders in accordance with Condition 10 (*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 principal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable 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 Condition 3(f) (*Redemption, Purchase and Options - Redemption at the option of the Issuer and exercise of Issuer's option*).

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 stock 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 stock exchange so permit, on the website of such stock 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, 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 principal outstanding 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 Final Terms, Public Pandbrieven so purchased by the Issuer may be held in accordance with Article 12, §1 of Annex III to the Banking Law or cancelled in accordance with 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) If the Issuer fails to redeem the Public Pandbrieven of a Series at their Final Redemption Amount in full within five Business Days after their Maturity Date, then:
- A. save to the extent paragraph (C) below applies, the obligation of the Issuer to redeem such Series shall be automatically deferred to, and shall be due on, the date falling one year after such Maturity Date (the “**Extended Maturity Date**”, as specified in the relevant Final Terms);
 - B. the Issuer shall give notice of the extension of the Maturity Date to the Extended Maturity Date to the Noteholders of such Series, the Noteholders’ Representative, the Rating Agencies, the Fiscal Agent and the Paying Agent and/or Registrar as soon as reasonably practicable, it being understood that a failure to notify shall not affect such extension of the Maturity Date;
 - C. notwithstanding paragraph (E) below, if and to the extent that on any subsequent Interest Payment Date (as defined in the applicable Final Terms) falling prior to the Extended Maturity Date (each an “**Extension Payment Date**”), the Issuer has sufficient funds available to fully redeem the relevant Series of Public Pandbrieven, then the Issuer shall (a) give notice thereof to the Noteholders of such Series, the Noteholders’ Representative, the Fiscal Agent and the Paying Agent and/or 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 fully redeem the Public Pandbrieven of such Series on such Extension Payment Date;
 - D. save as otherwise provided for in the applicable 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, the Extended Maturity Date or, as the case may be, the date the Public Pandbrieven of such Series are fully

redeemed in accordance with paragraph (E) below, (b) be payable in arrears on each Extension Payment Date (in respect of the Interest Period then ended) or, if earlier, the Extended Maturity Date or the date of any redemption pursuant to paragraph (E) below and (c) accrue at the rate provided for in the applicable Final Terms; and

- E. to the extent that the maturity date of any other Series of Public Pandbrieven falls prior to the Extended Maturity Date, the maturity date of such other 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 the Public Pandbrieven for which the Maturity Date has been previously extended is redeemed in full and all interest accrued in respect thereto is paid. In such circumstances, payment may be made on another date than an Extension Payment Date, provided that notice thereof is given to the Noteholders of such Series, the Noteholders' Representative, the Fiscal Agent and the Paying Agent and/or Registrar as soon as reasonably practicable and in any event at least two Business Days prior to the relevant payment date.
- (ii) Subject to paragraph (E) above, an extension of one Series does not automatically imply the extension of other Series.
- (iii) In the case the Public Pandbrieven to which an Extended Maturity Date applies are Zero Coupon Public Pandbrieven, the principal outstanding amount will for the purposes of this 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.
- (iv) Any extension of the maturity of Public Pandbrieven under this Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*) shall be irrevocable. Where this 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 or in accordance with paragraph (E) above shall be a failure to pay which may constitute a Payment Default.
- (v) Any payments which may be subject to an extension in accordance with this 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 Royal Decree of 11 October 2012 on the issuance of Belgian covered bonds by Belgian credit institutions.
- (vi) If the maturity of any Public Pandbrieven is extended up to the Extended Maturity Date in accordance with this 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.
- (vii) This Condition 3(j) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*) shall only apply if the Issuer has insufficient funds available to redeem those Public Pandbrieven in full within five Business Days after their 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.

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, Clearstream Germany, SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal), Monte Titoli (Italy) and any other Securities Settlement System participant. Upon receipt of any payment in respect of Dematerialised Public Pandbrieven, the Securities Settlement System, Euroclear, Clearstream Germany, SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal), Monte Titoli (Italy) 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 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 Laws*

Save as provided in 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 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. No commission or agreements shall be charged to the Noteholders in respect of such payments.

(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, or as may be otherwise specified in the applicable 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 power to tax, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts received by the 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 Noteholder's control, ceased to be an Eligible Investor or at any relevant time on or after the issuance of the Dematerialised Public Pandbrief even 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 Pandbriefen*: to, or to a third party on behalf of, a holder who is liable to such Taxes because the Dematerialised Public Pandbriefen were converted into Registered Public Pandbriefen upon his/her request and could no longer be cleared through the Securities Settlement System; or
- (4) *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 anymore a financial institution*: where such withholding or deduction is imposed for reason of the holder of the Registered Public Pandbriefen, 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 Noteholder that, as of the relevant Interest Payment Date, (i) is not a tax resident in Belgium, (ii) does not use the income producing assets 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.

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 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 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 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 Noteholders, together with the holders of any other Public Pandbrieven issued under the Programme and any Other Creditors as defined in Condition 24 (*Post-Acceleration Priority of Payments*), will benefit from a dual recourse consisting of (i) an exclusive recourse against the 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 Special Estate (in consultation with the Cover Pool Administrator or the 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 Special Estate by the Cover Pool Monitor or 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 IV**” 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 hedging arrangements*

Collateral provided under hedging arrangements that constitutes a Cover Asset may only be used for obligations in relation to the Special Estate and in accordance with the relevant hedging arrangement.

8 Allocation

Upon the earlier of (i) the opening of a liquidation procedure in respect of the Issuer and (ii) the appointment of a Cover Pool Administrator, the following shall apply in circumstances where both the 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 Civil Code (to the extent applicable), be shared *pro rata* between the 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 Special Estate and the general estate of the Issuer shall, unless otherwise elected by the debtor pursuant to Article 1253 of the Belgian Civil Code (to the

extent applicable), be shared *pro rata* between the Special Estate and the general estate on a *pari passu* basis.

9 Principal Paying Agent, Paying Agent, Fiscal Agent and Registrar provisions

The names of the initial Paying Agents, the Fiscal Agent and the initial Registrar and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, the Fiscal Agent and the Registrar and/or appoint additional or other Paying Agents or Registrars, provided that:

- (1) there will at all times be a Principal Paying Agent, a Fiscal Agent and, as long as any Registered Public Pandbrieven of any Series are outstanding, a 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 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 Noteholders in accordance with Condition 10 (*Notices*).

10 Notices

All notices to holders of Dematerialised Public 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, Clearstream Germany, SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal), Monte Titoli (Italy) 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 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 Registrar, or in any other way agreed with the Issuer.

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 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 Noteholders' Representative shall be at liberty to approve any other method of giving notice to 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.

11 Cover Pool Monitor

The 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 Cover Pool Monitor and the Issuer. In addition, the Cover Pool Monitor and the Issuer have agreed that no Public Sector Exposure can be deregistered from the Special Estate without the prior approval from the Cover Pool Monitor in case such deregistration would lead to a decrease of the ratio between the value of the Cover Assets and the principal outstanding 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 Cover Assets does not decrease with more than EUR 10,000,000 due to this substitution.

12 Issuer Covenant

For so long as the Public Pandbrieven are outstanding, the Issuer hereby covenants in favour of the Noteholders and the Noteholders' Representative to:

- (i) comply with all obligations imposed on it under the Belgian Covered Bonds Regulations;
- (ii) ensure that the Special Estate will mainly consist of Public Sector Exposure;
- (iii) ensure that the Special Estate will not contain any commercial or residential mortgage loans, any commercial or residential mortgage backed securities or any other asset backed securities;
- (iv) ensure that the value of the Public Sector Exposure registered as Cover Assets in the Cover Register (including any collections in respect thereof) (a) is calculated in accordance with the Belgian Covered Bonds Regulations and (b) represents at all times at least 105 per cent. of the aggregate principal outstanding 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 Programme);
- (v) ensure that loans constituting Public Sector Exposure will only be added to the Special Estate if they are fully drawn;
- (vi) ensure that the Special Estate will at all times include liquid bonds meeting the criteria set out in Article 7 of the NBB Covered Bonds Regulation of 29 October 2012 and 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 (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), is higher than the amount of interest due and payable on the outstanding Public Pandbrieven for a period of six months, (d) have a remaining maturity of more than one year, and (e) are not debt issued by the Issuer;
- (vii) ensure that the Special Estate will not contain any 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; and

(viii) provide investor reports with regard to, among others, the composition of the Special Estate which will be made available on the website of the Issuer at www.belfius.com, on a monthly basis.

13 Noteholders' Waiver

The Noteholders waive to the fullest extent permitted by law (i) all the rights of the Noteholders whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind (*ontbinden/résoudre*) or demand in legal proceedings the rescission (*ontbinding/résolution*) of the Public Pandbrieven and (ii) all the rights of the Noteholders whatsoever in respect of Public Pandbrieven pursuant to Article 7:64 of the Belgian Companies Code (right to rescind (*ontbinden/résoudre*)).

14 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.

15 Rules of Organisation of the Noteholders

The Rules of Organisation of the Noteholders are attached to, and form an integral part of, these Conditions. References in these Conditions to the Rules of Organisation of the 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 7:174 of the Belgian Companies Code relating to the noteholders' meeting shall not apply to any issuance of the Public Pandbrieven.

16 Noteholders' Representative

As long as the Public Pandbrieven are outstanding, there shall at all times be a representative of the Noteholders (the "**Noteholders' Representative**") in accordance with Article 14, §2 of Annex III to the Banking Law, which has the power to exercise the rights conferred on it by these Conditions, the Rules of Organisation of the Noteholders and the law in order to protect the interests of the Noteholders. The Noteholders' Representative must give account of its performance in accordance with the Noteholders' Representative Agreement.

The Issuer has appointed Stichting Belfius Public Pandbrieven Noteholders' Representative as Noteholders' Representative and the 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 Conditions and on which all claims of the Other Creditors (to the extent represented by the Noteholders' Representative) against the Special Estate have been settled.

By reason of holding Public Pandbrieven, each 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 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 Noteholders' Representative in such capacity as if such 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 Noteholders

as a result of the performance by the Noteholders' Representative (or its delegate) of its duties or the exercise of any of its rights under these Conditions and the Rules of Organisation of the Noteholders.

The Noteholders' Representative can also be appointed to represent Other Creditors provided that those Other Creditors agree with such representation.

17 Conflicts of Interest

The Noteholders' Representative shall have regard to the overall interests of the Noteholders and of the Other Creditors that have agreed to be represented by the Noteholders' Representative. The Noteholders' Representative shall not be obliged to have regard to any interests arising from circumstances particular to individual Noteholders or such Other Creditors whatever their number.

The 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 Noteholders and the Other Creditors of the Issuer which it represents but if, in the opinion of the Noteholders' Representative, there is a conflict between their interests the Noteholders' Representative will have regard solely to the interest of the Noteholders.

18 Meetings of Noteholders

(a) Meetings of Noteholders

The Rules of Organisation of the Noteholders contain provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification or waiver of any provision of the Conditions applicable to any relevant Series of Public Pandbrievens. For the avoidance of doubt, any such modification or waiver shall be subject to the consent of the Issuer.

All meetings of Noteholders will be held in accordance with the provisions of the Rules of Organisation of the Noteholders. Article 7:162 to 7:174 of the Belgian Companies Code with respect to Noteholders' meetings will not apply to any issuance of Public Pandbrievens.

(b) Written Resolutions

A written resolution signed by the holders of 75 per cent. in principal amount of the relevant Series of the Public Pandbrievens 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 Pandbrievens 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 Pandbrievens outstanding as if they were a single Series shall take effect as if it were a 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 Noteholders.

19 Amendments to the Conditions

Amendments to the Conditions and the Final Terms shall be made in accordance with the Rules of Organisation of the Noteholders, and in particular in accordance with Articles 6.1, 6.3 and 18 thereof.

20 No Exchange of Registered Public Pandbrievens

Registered Public Pandbrievens may not be exchanged for Dematerialised Public Pandbrievens.

21 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further Public Pandbrievs having the same terms and conditions as the Public Pandbriev (so that, for the avoidance of doubt, references in these Conditions to “**Issue Date**” shall be to the first issue date of the Public Pandbriev) and so that the same shall be consolidated and form a single series with such Public Pandbriev, and references in these Conditions to “Public Pandbriev” shall be construed accordingly.

22 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 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 Condition, it shall be sufficient for the 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 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.

23 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 on any date on which it is required to redeem the Public Pandbriev in accordance with Condition 3(j)(i)(E) (*Redemption, Purchase and Options - Extension of Maturity up to Extended Maturity Date*), or (ii) any interest in respect of any Public Pandbrief within five 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 10 Business Days after the 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 Noteholders’ Representative to deliver such Payment Notice, any Noteholder may deliver such notice to the Issuer (with a copy to the Noteholders’ Representative). The date on which a Payment Default occurs shall be the date on which the Noteholders’ Representative or any Noteholder has given notice of such Payment Default plus 10 Business Days (the “**Payment Default Date**”).

Without prejudice to the powers granted to the Cover Pool Administrator, if a Payment Default occurs in relation to a particular Series, the Noteholders’ Representative may, and shall if so requested in writing by the Noteholders of at least 66^{2/3} per cent. of the principal outstanding amount of the relevant Series of the Public Pandbriev then outstanding (excluding any Public Pandbriev 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 Pandbriev 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 Supervisory Authority, Securities Settlement System, the Noteholders, the Rating Agencies and the 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 will rank *pari passu* among themselves;
- (iii) the Noteholders' Representative shall on behalf of the Noteholders 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 Noteholders' Representative shall on behalf of the Noteholders be entitled to take any steps and proceedings against the Issuer to enforce the provisions of the Public Pandbrieven. The 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 in the Conditions applicable to 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.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Noteholders' Representative shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Noteholders and (in such absence as aforesaid) no liability to the Noteholders or the Issuer shall attach to the Noteholders' Representative in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

24 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 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 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 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 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 Operating Creditors;

- (d) *fourth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of (i) any Pari Passu Swap Amounts, (ii) any Pari Passu Liquidity Amounts, and (iii) any payments of amounts due and payable to Noteholders *pro rata* and *pari passu* on each Series in accordance with these Conditions;
- (e) *fifth*, on a *pari passu* and *pro rata* basis, in or towards satisfaction of (i) any Junior Swap Amounts and (ii) any Junior Liquidity 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 Special Estate, as applicable, to any Operating Creditor plus any value added tax or any other tax or duty payable thereon.

“Hedge Counterparty” means a hedge counterparty under a swap agreement entered into by the Issuer in relation to the Special Estate.

“Junior Liquidity Amount” means each amount, including any costs, charges, liabilities and expenses, due and payable to a Liquidity Provider which under the relevant liquidity agreement are expressed to rank junior to interest and principal due to Noteholders and any other party ranking senior in accordance with the Post-Acceleration Priority of Payments.

“Junior Swap Amount” means any swap termination amount whereby the Hedge Counterparty is the defaulting party or any such other amount, including any costs, charges, liabilities and expenses, due and payable to a Hedge 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 Noteholders and any other party ranking senior in accordance with the Post-Acceleration Priority of Payments.

“Liquidity Provider” means a counterparty under a liquidity arrangement agreement entered into by the Issuer in relation to the Special Estate.

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

“Other Creditor” means the Noteholders' Representative, any Operating Creditor, any Liquidity Provider, any Hedge Counterparty and the Cover Pool Administrator.

“Pari Passu Liquidity Amount” means each amount, including any costs, charges, liabilities and expenses, due and payable to a Liquidity Provider and which under the relevant liquidity agreement are expressed to rank *pari passu* with interest or principal (as applicable) due to Noteholders.

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

25 Action by Noteholders' Representative

Only the Noteholders' Representative may enforce the rights of the Noteholders under the Public Pandbrieven and/or the Programme Documents against the Issuer (or Special Estate, as applicable). Unless explicitly provided otherwise in the 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 Programme Documents.

However, if the Noteholders' Representative does not react or does not take any action within 10 calendar days of being so directed by the Noteholders in accordance with the Conditions and the Rules of Organisation of the Noteholders, then the Noteholders shall have individual rights to enforce the performance of any provision of the Public Pandbrieven and/or the Programme Documents. Such rights remain however subject to the required quorums, where applicable.

26 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

TITLE I GENERAL PROVISIONS

1 General

- 1.1** Each Noteholder is a member of the Organisation of the Noteholders.
- 6.5. The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.
- 6.6. The Organisation of the Noteholders in respect of each Series of Public Pandbrieven issued under the 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 Noteholders. Articles 7:162 to 7:174 of the Belgian Companies Code shall not apply.
- 6.7. These Rules shall remain in full force and effect until full repayment or cancellation of all the Public Pandbrieven of whatever Series.
- 6.8. The contents of these Rules are deemed to be an integral part of the 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;

“Clearing Services Agreement” means the clearing services agreement in relation to the 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;

“Conditions” means the terms and conditions and the Final Terms of the Public Pandbrieven of the relevant Series or Tranche issued by the Issuer;

“Common Terms” means the terms and conditions which are common to all Public Pandbrieven issued under the Programme as set out in the Programme Agreement;

“Distribution Agreement” means the distribution agreement in relation to the 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;

“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;

“**Noteholders’ Representative**” means Stichting Belfius Public Pandbrieven Noteholders’ Representative or the noteholders’ representative who may be appointed by the Noteholders in accordance with Article 14 (as applicable);

“**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 Noteholders**” means the organisation of the Noteholders that is created upon the issuance of the Public Pandbrieven and that is governed by these Rules of Organisation of the Noteholders;

“**Programme Documents**” means the Base Prospectus, the Programme Agreement, the Noteholders’ Representative Agreement, the Agency Agreement, the Distribution Agreement, the Clearing Services Agreement and any other agreement or document entered into from time to time under or in connection with the Programme (as the same may be amended, supplemented, replaced and/or restated from time to time) and designated as a programme document;

“**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 Companies Code with which a Noteholder holds such Public Pandbrieven on a securities account;

“**Resolution**” means an Ordinary Resolution, an Extraordinary Resolution or a Programme Resolution;

“**Rules**” or “**Rules of Organisation of the Noteholders**” means these rules governing the Organisation of the 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 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 Special Estate following the appointment of a Cover Pool Administrator and where the context so requires, be deemed to be a reference to the Cover Pool Administrator;
- (b) references to a **meeting** are to a meeting of Noteholders of a single Series of Public Pandbrieven (except in case of a meeting to pass a 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 **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 NOTEHOLDERS

3 Convening a Meeting

3.1 Initiative

The Issuer or the Noteholders' Representative (as the case may be) may convene a meeting at any time. A meeting shall be convened by the Noteholders' Representative (i) upon the request in writing of Noteholders holding not less than one fifth of the aggregate principal outstanding amount of the relevant Series of the Public Pandbrievien or (ii) in the case of a proposed liquidation of the Special Estate in accordance with Article 11, 6° or 7 of Annex III to the Banking Law.

The Issuer or the Noteholders' Representative can convene a single meeting of Noteholders of more than one Series if in the opinion of the Noteholders' Representative the subject matter of the meeting is relevant to the Noteholders of each of those Series.

3.2 Time and place

Every meeting shall be held at a time and place approved by the Noteholders' Representative.

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 shall be given to the Noteholders in accordance with Condition 10 (*Notices*) with a copy to the Issuer, the Cover Pool Administrator or the 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 Pandbrievien 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 Pandbrievien.

4 Chairman

The chairman of a meeting shall be such person (who may, but need not be, a Noteholder) as the Issuer or the 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 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 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 principal outstanding amount of the Public Pandbrievien of the relevant Series (with the Public Pandbrievien of all Series taken together as a single Series in case of a Programme Resolution), or, at an adjourned meeting, one or more persons being or representing Noteholders of the relevant Series for the time being outstanding, whatever the principal outstanding amount of the Public Pandbrievien 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 (j), the quorum will be one or more persons holding or representing not less than two thirds of the aggregate principal outstanding amount of the Public Pandbrievien of

such Series or, at any adjourned meeting, one or more persons being or representing not less than one third of the aggregate principal outstanding amount of the Public Pandbrieven of such Series for the time being outstanding.

At any meeting the purpose of which is to pass a 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 outstanding amount 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 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 (j)	Two thirds	One third
To pass any Programme Resolution concerning matters referred to under Article 6.3 (a) to (c)	50%	No minimum proportion
To pass any 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 5.2.

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 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 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 Noteholders' Representative, the Issuer, the Noteholders or any of them, whether such rights arise under the Programme Documents or otherwise, or (ii) these Rules, the Conditions or any Programme Document in respect of the material obligations of the Issuer under or in respect of the Public Pandbrievien (other than as referred to under (e) to (j) or under Article 6.3);
- (b) to discharge or exonerate, whether retrospectively or otherwise, the Noteholders' Representative from any liability in relation to any act or omission for which the Noteholders' Representative has or may become liable pursuant or in relation to these Rules, the Conditions or any Programme Document;
- (c) to give any authority or approval which under these Rules or the Conditions is required to be given by Extraordinary Resolution;
- (d) to authorise the 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 Pandbrievien;
- (f) to waive the occurrence of a Payment Default;
- (g) to change any date fixed for payment of principal or interest in respect of the Series of Public Pandbrievien, to reduce or cancel the amount of principal or interest payable on any date in respect of the Series of Public Pandbrievien or to alter the method of calculating the amount of any payment in respect of the Series of Public Pandbrievien on redemption or maturity or the date for any such payment;
- (h) to effect the exchange or substitution of the Series of Public Pandbrievien for, or the conversion of the Series of Public Pandbrievien into, shares, bonds or other obligations or securities of the Issuer;
- (i) to change the currency in which amounts due in respect of the Series of Public Pandbrievien are payable; and
- (j) to change the quorum required at any meeting of the Noteholders or the majority required to pass any Extraordinary Resolution or a Programme Resolution.

6.2 Ordinary Resolution

A meeting shall, subject to the 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 (Programme Resolution).

6.3 Programme Resolution

A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by these Rules or the Belgian Covered Bonds Regulations, have power by Programme Resolution:

- (a) to remove or replace (i) the Noteholders' Representative or (ii) the managing director of the Noteholders' Representative pursuant to Article 14;
- (b) with the consent of the Issuer, to amend the Common Terms;
- (c) to evaluate the Cover Pool Administrator's proposal or decision to liquidate the Special Estate and the early repayment of the Public Pandbrievien in accordance with Article 11, 6° of Annex III to the Banking Law; and
- (d) to approve that the Cover Pool Administrator proceeds with the liquidation of the Special Estate and the early repayment of the Public Pandbrievien in accordance with Article 11, 7° of Annex III to the Banking Law.

7 Arrangements for Voting

7.1 Dematerialised Public Pandbrievien

No votes shall be validly cast at a meeting in respect of Dematerialised Public Pandbrievien, unless in accordance with a Voting Certificate or Block Voting Instruction. Articles 7:162 to 7:174 of the Belgian Companies Code shall not apply.

Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Dematerialised Public Pandbrievien 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 Pandbrievien 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 Pandbrievien 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 Pandbrievien (not being Public Pandbrievien 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 outstanding amount were held to its order or under its control and blocked by it and (ii) that no such Public Pandbrievien 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 Pandbrievien 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 Pandbrievien represented by such certificate.

Block Voting Instructions

A Block Voting Instruction shall:

- (a) be issued by a Recognised Accountholder;
- (b) certify that (i) Public Pandbrievien (not being Public Pandbrievien 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 outstanding amount were held to its order or under its control and blocked by it and (ii) that no such Public Pandbrievien 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 Pandbrievien 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 Pandbrievien has instructed such Recognised Accountholder that the vote(s) attributable to the Public Pandbrievien 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 outstanding amount of the Public Pandbrievien 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 Pandbrievien 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 7:174 of the Belgian Companies Code 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) Noteholders and their proxies;
- (b) the chairman;
- (c) the Issuer, the Noteholders' Representative (through their respective representatives) and their respective financial and legal advisers; and
- (d) the 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 Noteholders' Representative or one or more Noteholders present or validly represented at the meeting and representing or holding not less than one fiftieth of the aggregate principal outstanding 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 Noteholders' Representative may stipulate in its absolute discretion in principal 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 $66\frac{2}{3}$ per cent. of the aggregate principal outstanding 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 principal outstanding amount of the Series of Public Pandbrieven for which votes have been cast plus one vote. A Programme Resolution shall be validly passed by a simple majority of at least 50 per cent. of the aggregate principal outstanding 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 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 Noteholders' Representative may otherwise agree, notice of the total result of every vote on a Resolution shall be given to the Noteholders in accordance with Condition 10 (*Notices*), with a copy to the Issuer, the Cover Pool Administrator (as the case may be) and the 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 Programme Resolution shall also be given to the 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 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 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 Noteholders.

13 Further Regulations

Subject to all other provisions contained in these Rules and with the consent of the Issuer, the Noteholders' Representative may prescribe such further regulations regarding the holding of meetings of Noteholders and attendance and voting as the Noteholders' Representative may determine in its sole discretion.

TITLE III

NOTEHOLDERS' REPRESENTATIVE

14 Appointment, Removal and Remuneration

14.1 Appointment and removal of the Noteholder's Representative

The Issuer has appointed the Noteholders' Representative as legal representative of the Noteholders under the Noteholders' Representative Agreement. In accordance with Article 14 of Annex III to the Banking Law, the Noteholders shall be entitled to remove the Noteholders' Representative by Programme Resolution provided that (i) they appoint a new Noteholders' Representative on substantially the same terms as set out in the Programme Documents (including any Schedules thereto) and (ii) neither the managing director of the Noteholders' Representative nor the 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 Noteholders' Representative shall have the necessary professional and organisational capacity and experience to perform the tasks entrusted to the Noteholders' Representative.

14.3 Appointment, removal and resignation of the managing director

A resolution to appoint or to remove the managing director of the Noteholders' Representative is made by Programme Resolution of the Noteholders, except for the appointment of the first managing director of the 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 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 Noteholders' Representative, provided that a successor managing director is appointed ; and
- (f) upon removal from office by a Programme Resolution of the 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 Other Creditors (to the extent represented by the Noteholders' Representative) have been notified thereof and (iii) neither the Managing Director so removed nor the 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 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 Other Creditors (to the extent represented by the Noteholders' Representative) against the Special Estate have been settled.

Any removal or resignation of the managing director shall also be binding upon the Other Creditors that have chosen to be represented by the Noteholders' Representative.

The Noteholders' Representative shall inform the Noteholders and the Other Creditors (to the extent represented by the 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 Noteholders' Representative a remuneration for its services as Noteholders' Representative as agreed in the Noteholders' Representative Agreement or a separate fee letter.

15 Duties and Powers of the Noteholders' Representative

15.1 Legal representative

The Noteholders' Representative is the legal representative of the Noteholders and has the power to exercise the rights conferred on it by these Rules, the Conditions, the Noteholders' Representative Agreement and the Belgian Covered Bonds Regulations in order to protect the interests of the Noteholders in accordance with Article 14, §2 of Annex III to the Banking Law. The Noteholders' Representative can also be appointed to represent the Other Creditors provided that those Other Creditors agree with such representation. Any conflict of interest between the Noteholders and such Other Creditors will be dealt with in accordance with Article 16.2 (r) and Condition 17 (*Conflicts of Interest*).

15.2 Acceptance of terms and conditions

The Noteholders' Representative can at the request of the Issuer approve the (form of) terms and conditions which are different from the Conditions (as defined in the Programme Agreement) currently attached as Schedule 2 of the Programme Agreement, in accordance with Clause 13(iii) of the Programme Agreement for the issuance of Public Pandbrieven not contemplated by Schedule 2 of the Programme Agreement.

15.3 Meetings and Resolutions of Noteholders

Unless the relevant Resolution provides to the contrary, the Noteholders' Representative is responsible for implementing all Resolutions of the Noteholders. The Noteholders' Representative has the right to convene and attend meetings of 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 Noteholders holding not less than one fifth of the aggregate principal outstanding amount of the relevant Series of the Public Pandbrieven or (ii) in the case of a proposed liquidation of the Special Estate in accordance with Article 11, 6° or 7° of Annex III to the Banking Law.

15.4 Judicial proceedings

The Noteholders' Representative is authorised to represent the Noteholders in any judicial proceedings including any bankruptcy or similar proceedings in respect of the Issuer.

15.5 Consents given by the Noteholders' Representative

Any consent or approval given by the Noteholders' Representative in accordance with these Rules may be given on such terms as the Noteholders' Representative deems appropriate and, notwithstanding anything to the contrary contained in the Rules, such consent or approval may be given retrospectively. In accordance with the Belgian Covered Bonds Regulations, the 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 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 Conditions will upon receipt of a payment notice constitute a payment default ("**Payment Default**"). The 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 Noteholders' Representative to deliver such Payment Notice, any Noteholder can deliver such notice to the Issuer (with a copy to the Noteholders' Representative).

The Noteholders' Representative shall inform the Noteholders upon its receipt of a notice in writing from the Issuer of the occurrence of such a failure to pay. However, the 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 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 Pandbrievien and under the other Programme Documents.

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

The Noteholders' Representative may in accordance with the Conditions, the Belgian Covered Bonds Regulations and the Programme Documents instruct the relevant (Principal) Paying Agent, the other Agents and Registrar or any of them to act thereafter, until otherwise instructed by the Noteholders' Representative, to effect payments on the terms provided in the Agency Agreement (with consequential amendments as necessary and save that the Noteholders' Representative's liability under any provisions thereof for the indemnification, remuneration and payment of out of pocket expenses of the Agents shall be limited to amounts for the time being received or recovered by the Noteholders' Representative under any of the Programme Documents and available to the Noteholders' Representative for such purpose) and thereafter to hold all sums, documents and records held by them in respect of Public Pandbrievien on behalf of the Noteholders' Representative.

15.7 Programme Limit

The Noteholders' Representative will not enquire as to whether or not any Public Pandbrievien 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 issue) aggregate principal outstanding amount of Public Pandbrieven at any time (the “**Programme Limit**”).

15.8 Application of proceeds

The 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 Noteholders’ Representative may in the exercise of the powers, discretions and authorities vested in it – in the interest of the 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 Noteholders’ Representative may think fit in the interest of the Noteholders. The 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 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 Noteholders’ Representative

Any consent or approval given by the Noteholders’ Representative in accordance with these Rules may be given on such terms as the Noteholders’ Representative deems appropriate and, notwithstanding anything to the contrary contained in these Rules, such consent or approval may be given retrospectively.

The 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 Noteholders will not be materially prejudiced thereby.

15.11 Discretions

Save as expressly otherwise provided in the Rules, the Conditions or the Noteholders’ Representative Agreement, the Noteholders’ Representative shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Noteholders’ Representative by these Rules, the Conditions, the Programme Documents or by operation of law.

15.12 Obtaining instructions

In connection with matters in respect of which the 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 Noteholders’ Representative has the right (but not the obligation) to convene a meeting of Noteholders in order to obtain the Noteholders’ instructions as to how it should act. Prior to undertaking any action, the Noteholders’ Representative shall be entitled to request that the Noteholders indemnify it, prefund it and/or provide it with security as specified in Article 16.2 to its satisfaction.

16 Exoneration of the Noteholders’ Representative

16.1 Limited obligations

The Noteholders’ Representative shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Programme Documents.

16.2 Specific limitations

Without limiting the generality of Article 16.1, the 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 Noteholders' Representative hereunder or under any other relevant document, has occurred and, until the 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 Conditions and, until it shall have actual knowledge or express notice to the contrary, the 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 Conditions or by applicable law) to any Noteholders or any other party, any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Noteholders' Representative by the Issuer or any other person in respect of the Special Estate or, more generally, of the Programme and no Noteholders shall be entitled to take any action to obtain from the 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 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 licence, consent or other authorisation in connection with the registration or administration of the assets contained in the Special Estate; and
 - (v) any accounts, books, records or files maintained by the Issuer, the Principal Paying Agent or any other person in respect of the Special Estate or the Public Pandbrievien;
- (f) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issuance of the Public Pandbrievien 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 Pandbrievn 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 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 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 Special Estate or any part thereof, whether such defect or failure was known to the 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 Special Estate or any part thereof;
- (l) shall not be responsible for reviewing or investigating any report relating to the 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 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 Pandbrievn or the Special Estate;
- (o) shall not be under any obligation to insure the Special Estate or any part thereof;
- (p) shall, when in these Rules or the Conditions it is required in connection with the exercise of its powers, authorities or discretions to have regard to the interests of the Noteholders, have regard to the overall interests of the 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 Noteholders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual 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 Noteholders' Representative shall not be entitled to require, nor shall any Noteholders be entitled to claim, from the Issuer, the Noteholders' Representative or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual 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 Noteholders of any one or more Series would be materially prejudiced thereby, exercise such power, authority or discretion without the approval of such 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 Noteholders and the Other Creditors of the Issuer which it represents but if, in the opinion of the Noteholders' Representative, there is a conflict between their interests the Noteholders' Representative will have regard solely to the interest of the 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 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 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 Conditions except insofar as the same are incurred as a result of fraud, gross negligence or wilful default of the Noteholders' Representative.

16.3 Illegality

No provision of these Rules shall require the 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 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 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 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 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 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 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 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 Noteholders

The 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 Noteholders in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the meeting of 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 Noteholders.

17.4 Ownership of the Public Pandbrieven

The Noteholders' Representative, in order to ascertain ownership of the Public 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 Articles 7:35 et seq. of the Belgian Companies Code, as far as the Dematerialised Public Pandbrieven are concerned; and
- the register held in accordance with Article 7:23 et seq. of the Belgian Companies Code, as far as the Registered Public Pandbrieven are concerned.

17.5 Clearing Systems

The 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 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 Programme Documents

The Noteholders' Representative shall have the right to call for and to rely on written certificates issued by any party to the Programme Documents (other than the Issuer):

- (a) in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any 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 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 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 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 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 Noteholders' Representative may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making any modification to the Conditions or to the Common Terms:

- (a) if the Noteholders' Representative is of the opinion that such modification will not be materially prejudicial to the interests of any of the Noteholders of any Series; or
- (b) if such modification is of a formal, minor or technical nature or, in the opinion of the Noteholders' Representative is to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding upon the Noteholders and, unless the Noteholders' Representative otherwise agrees, shall be notified by the Issuer to the Noteholders in accordance with Condition 10 (*Notices*) as soon as practicable thereafter.

The 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 (Conditions) or a Programme Resolution (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 Noteholders' Representative shall, without the consent or sanction of any of the Noteholders, concur with the Issuer in making any modifications to the Conditions or to the 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 Pandbrievens and which the Issuer certifies to the 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 Pandbrievens, provided that the Noteholders' Representative shall not be obliged to agree to any modification which, in the sole opinion of the Noteholders' Representative, as applicable, would have effect of (i) exposing the 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 Noteholders' Representative, as applicable in these Rules or the Conditions. For the avoidance of doubt, such modification may include, without limitation, modifications which would allow any hedge counterparty and/or liquidity facility provider 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 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 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 Pandbrievens 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 Programme.

19.2 Binding Nature

Any authorisation, waiver or determination referred in Article 19.1 shall be binding on the Noteholders.

19.3 Restriction on powers

The 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 (f) to (j), unless holders of Public Pandbrievens of the relevant Series have, by Extraordinary Resolution, so authorised its exercise.

19.4 Notice of waiver

Unless the 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 Noteholders, as soon as practicable after it has been given or made in accordance with Condition 10 (*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 Noteholders' Representative to indemnify the Noteholders' Representative on demand against any Liabilities which are properly incurred by the Noteholders' Representative or any other person appointed by the Noteholders' Representative under the Programme Documents to whom any power, authority or discretion may be delegated by the Noteholders' Representative in the execution, or the purported execution, of the powers, authorities and discretions vested in it by the 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 Noteholders' Representative or such other third parties):

- (a) the performance of the terms of the Public Pandbrievens and the Programme Documents;
- (b) anything done or purported to be done by the Noteholders' Representative or any appointee under the Public Pandbrievens or any other Programme Document; or
- (c) the exercise or attempted exercise by or on behalf of the Noteholders' Representative or any appointee of any of the powers of the Noteholders' Representative or any appointee or any other action taken by or on behalf of the Noteholders' Representative with a view to or in connection with enforcing any obligations of the Issuer or any other person under any Programme Document.

20.2 Indemnification by the Noteholders

In the case the Noteholders' Representative or any other person appointed by the Noteholders' Representative under the Programme Documents has acted upon any resolution or direction referred to in Article 17.3, each Noteholder covenants with and undertakes to the Noteholders' Representative to indemnify the Noteholders' Representative on demand and *pro rata* according to its share in the aggregate principal outstanding amount of Public Pandbrievens 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 Noteholders' Representative or such other third parties) by the 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 Noteholders' Representative

Notwithstanding any other provision of these Rules, the 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 Conditions except in relation to its own fraud, gross negligence or wilful default.

The Noteholders' Representative is entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to the Conditions and these Rules, that such exercise will not be materially prejudicial to the interests of any of the 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 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 Noteholders' Representative and the Noteholders that the above does not impose or extend any actual or contingent liability for the relevant Rating Agency to the Noteholders' Representative, the Noteholders or any other person or create any legal relations between the relevant Rating Agency and the Noteholders' Representative, the 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 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 Noteholder and each Other Creditor represented by the 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 Noteholders or the Other Creditors represented by the Noteholders' Representative as a result of the performance by the Noteholders' Representative (or its delegate) of its duties or the exercise of any of its rights under the Conditions and the Rules of Organisation of the Noteholders.

SECTION 10

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Public Pandbrieven issued under the 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 Public Pandbrieven as of the date hereof has led to the conclusion that: (i) the target market for the Public 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 Public Pandbrieven to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Public 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 Public Pandbrieven (by either adopting or refining a Manufacturer’s target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Public 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”) or 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 (11) of Article 4(1) of Directive 2014/65/EU (“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 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 Public Pandbrieven or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Public Pandbrieven or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO CONSUMERS – The Public 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” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

Final Terms dated [●]

Belfius Bank SA/NV

Issue of [Aggregate Principal Amount of Tranche]

[Title of Public Pandbrieven]

under the EUR 10,000,000,000

Belgian Public Pandbrieven Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of 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 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (as amended, the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Public 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 Public Pandbrieven is only available on the basis of the combination of these Final Terms, 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 Principal Paying 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 (the “**Conditions**”) set forth in the [Base Prospectus] dated [original date] [and the Prospectus Supplement dated [●]]. This document constitutes the Final Terms of the Public 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 Public 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 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 [Public 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 [Public 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 [Public 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 subparagraphs. 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 A5GWLFLH3KM7YV2SFQL84) |
| 2 | (i) Series Number: | [●] |

	(ii) Tranche Number:	[•]
	[(iii) Date on which the Public Pandbrieven become fungible:	[Not Applicable/The Public Pandbrieven shall be consolidated, form a single series and be interchangeable for trading purposes with the Public 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]
3	Specified Currency or Currencies:	[•]
4	Aggregate Principal Amount:	[•]
	[(i) Series:	[•]
	[(ii) Tranche:	[•]]
5	Issue Price:	[•] % of the Aggregate Principal Amount [plus accrued interest from [insert date] <i>(in the case of fungible issuances only, if applicable)</i>]
6	(i) Specified Denomination:	[•] [and integral multiples of [•] thereof] <i>[EUR 100,000 or the equivalent of at least EUR 100,000 in other currency at the date of issue [(in the case of any Public Pandbrieven which are to be admitted to trading on a regulated market within the EEA or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Regulation)]]</i>
	(ii) Calculation Amount:	[•] <i>[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]</i>
7	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[•] [Issue Date] [Not Applicable]
8	Maturity Date:	<i>[Specify date or (for Floating Rate Public 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]</i>
9	Extended Maturity Date:	[insert date]
10	Interest Basis:	
	(i) Period to (but excluding) Maturity Date	[[•] % Fixed Rate] [[•] month [LIBOR/EURIBOR] +/- Margin. Floating Rate [Zero Coupon] (further particulars specified below)
	(ii) Period from Maturity Date (including) to Extended Maturity	[[•] per cent. Fixed Rate]

	Date (excluding)	[[●] month [LIBOR/EURIBOR] +/- Margin. Floating Rate] (further particulars specified below)
11	Redemption/Payment Basis	Subject to any purchase and cancellation or early redemption, the Public 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 Public Pandbrieven:	“ <i>Belgische pandbrieven/Lettres de gage belges</i> ”.
	(ii) Date of additional [Board] approval for issuance of Public Pandbrieven obtained:	[●] [and [●], respectively]] (<i>N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Public Pandbrieven</i>)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Public Pandbrief Provisions	
	(I) To Maturity Date	[Applicable/Not Applicable]
	(II) From Maturity Date up to Extended Maturity Date	[Applicable/Not Applicable]
		(<i>If (I) and/or (II) above are not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(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	(<i>Only to be included for other than fixed coupon amounts</i>)
	(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 Public Pandbrieven are redeemed in full or the Extended Maturity Date, or on any other date on which the Public Pandbrieven are fully redeemed in accordance with Condition 3(j)(i)E, 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 Public Pandbrievens are redeemed in full or the Extended Maturity Date, or on any other date on which the Public Pandbrievens are fully redeemed in accordance with Condition 3(j)(i)E, 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 Public Pandbrievens are redeemed in full or the Extended Maturity Date, or on

any other date on which the Public Pandbrievien are fully redeemed in accordance with Condition 3(j)(i)E, 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 Public Pandbrievien:

[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 Public 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 Public Pandbrievien are redeemed in full or the Extended Maturity Date, or on any other date on which the Public Pandbrievien are fully redeemed in accordance with Condition 3(j)(i)E, 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]
- (b) From Maturity Date up to Extended Maturity Date [Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]

(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 [LIBOR/EURIBOR]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]

- (b) From Maturity Date up to Extended Maturity Date [Applicable]/[Not Applicable]
- Reference Rate: [●] month [LIBOR/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 annum]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date [[+/-][●] % per annum]/[Not Applicable]
- (xii) Minimum Rate of Interest:
- (a) To Maturity Date [[●] % per annum]/[Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date [[+/-][●] % per annum]/[Not Applicable]
- (xiii) Maximum Rate of Interest:
- (a) To Maturity Date [[●] % per annum] [Not Applicable]
- (b) From Maturity Date up to Extended Maturity Date [[+/-][●] % per annum]/[Not Applicable]

(xiv) Day Count Fraction:	
(a) To Maturity Date	$\frac{[\text{Actual/Actual}]/[\text{Actual/Actual-ISDA}]/[\text{Actual/365 (Fixed)}]/[\text{Actual/360}]/[\text{30/360}]/[\text{360/360}]/[\text{Bond Basis}]/[\text{30E/360}]/[\text{Eurobond Basis}]/[\text{30E/360 (ISDA)}]/[\text{Actual/ Actual-ICMA}]}$
(b) From Maturity Date up to Extended Maturity Date	$\frac{[\text{Actual/Actual}]/[\text{Actual/Actual-ISDA}]/[\text{Actual/365 (Fixed)}]/[\text{Actual/360}]/[\text{30/360}]/[\text{360/360}]/[\text{Bond Basis}]/[\text{30E/360}]/[\text{Eurobond Basis}]/[\text{30E/360 (ISDA)}]/[\text{Actual/ Actual-ICMA}]}$
(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Public Pandbrievien, 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 Public Pandbrief Provisions	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Amortisation Yield:	[●] per cent. per annum
(ii) Any other formula/basis of determining amount payable:	[●]
(iii) Day Count Fraction:	
(a) To Maturity Date	$\frac{[\text{Actual/Actual}]/[\text{Actual/Actual-ISDA}]/[\text{Actual/365 (Fixed)}]/[\text{Actual/360}]/[\text{30/360}]/[\text{360/360}]/[\text{Bond Basis}]/[\text{30E/360}]/[\text{Eurobond Basis}]/[\text{30E/360 (ISDA)}]/[\text{Actual/ Actual-ICMA}]}$
(b) From Maturity Date up to Extended Maturity Date	$\frac{[\text{Actual/Actual}]/[\text{Actual/Actual-ISDA}]/[\text{Actual/365 (Fixed)}]/[\text{Actual/360}]/[\text{30/360}]/[\text{360/360}]/[\text{Bond Basis}]/[\text{30E/360}]/[\text{Eurobond Basis}]/[\text{30E/360 (ISDA)}]/[\text{Actual/ Actual-ICMA}]}$
(iv) 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]

PROVISIONS RELATING TO REDEMPTION

17	Issuer Call	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(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 Public 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]/[●] <i>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</i>
18	Noteholder Put	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(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 Public Pandbrief and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(III)	Notice period:	[●] <i>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</i>
(IV)	Address for notices	BELFIUS BANK SA/NV Long Term Funding TR 05/35 Place Charles Rogier 11 1210 Brussels Belgium Tel.: +32 2 250 70 64 or +32 2 222 70 28 Fax: +32 2 222 24 16

E-mail: ltfunding@belfius.be] / [●]

With a copy to:

BELFIUS BANK SA/NV
Transaction Services Securities (Transaction Release and
Custody Management)
TR 15/06
Place Charles Rogier 11
1210 Brussels
Belgium
Tel.: +32 2 222 14 08
Fax: +32 2 285 10 87
E-mail: cmtransrelease@belfius.be;
cmcustodymgt@belfius.be] / [●]

19 **Final Redemption Amount of each Public Pandbrief** [●] per Calculation Amount

20 **Early Redemption Amount**
Early Redemption Amount(s) of each Public 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 PUBLIC PANDBRIEVEN

- 21 **Form of Public Pandbrieven:** [Dematerialised Public Pandbrieven/Registered Public Pandbrieven]
- 22 **Business Centre(s)** *(Only applicable for currencies other than euro)*
[•]
- 23 **Consolidation provisions:** [Not Applicable/The provisions in Condition 21 *(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 16 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 Public Pandbrieven described herein] pursuant to the EUR 10,000,000,000 Belgian 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.]⁸

Signed on behalf of the Issuer:

By:
Duly authorised

⁸ 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 Public 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 Public Pandbrieven are already admitted to trading.)*
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: The Public Pandbrieven to be issued are expected to be rated:
- [S&P: [●]]
- [Moody's: [●]]
- [Fitch: [●]]
- [[Other]: [●]]

(The above disclosure should reflect the rating allocated to Public 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:⁹

[[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 providing rating] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009, as amended (the “CRA Regulation”), although notification of the registration decision has not yet been provided.]

[[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”).]

⁹ A list of registered Credit Rating Agencies is published on the ESMA website (<http://www.esma.europa.eu/>).

[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 [Public 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 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 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 Public Pandbrieven is not endorsed by a credit rating agency established in the EU and registered under the 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 Public Pandbrieven has an interest material to the offer.”

5 **REASONS FOR THE OFFER**

Reasons for the offer:

[●] *(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from general funding purposes of the Issuer, will need to include those reasons here.)*

6 **[Fixed Rate Public 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 Public Pandbrievens 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 Public Pandbrievens 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:

[•]]

Any clearing system(s) other than the clearing system operated by the National Bank of Belgium, Euroclear Bank SA/NV, Clearstream Banking S.A., SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal) and Monte Titoli (Italy) 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/ <i>give names of entities</i>]
(II) Stabilising Manager(s) (if any):	[Not Applicable/ <i>give names</i>]
If non-syndicated, name and address of Dealer:	[Not Applicable/ <i>give name and address</i>]
Additional Selling Restrictions:	<p>[Not Applicable/<i>give details</i>]</p> <p>[For the purpose of this issuance, the U.S. Selling Restrictions are deleted and replaced by the following selling restriction wording: “The Public Pandbrievs 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 Public Pandbrievs within the United States, except as permitted by the Distribution Agreement. The Public Pandbrievs 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 Public Pandbrievs within the United States by any dealer may violate the registration requirements of the Securities Act.”] <i>[Text to be included where Reg. S. Compliance Category 1 is selected]</i></p>
U.S. Selling Restrictions:	[Reg. S Compliance [Category 1/Category 2]; TEFRA not applicable]

SECTION 11 DESCRIPTION OF THE ISSUER

1 Belfius Bank profile

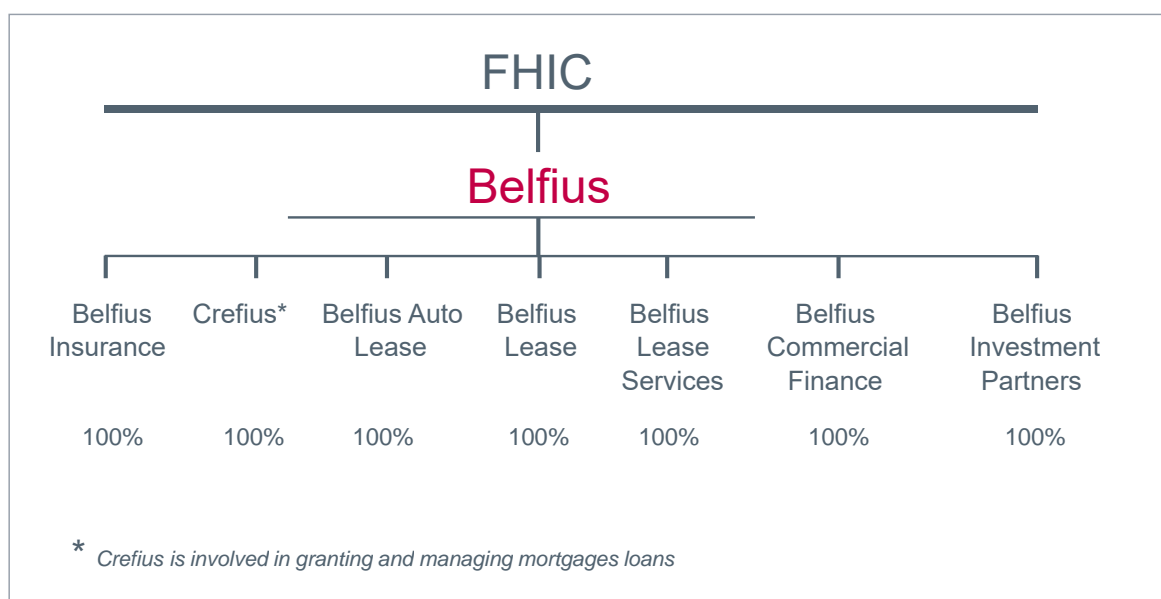
Belfius Bank SA/NV (the “**Issuer**” or “**Belfius Bank**”) is a public limited company (*naamloze vennootschap/société anonyme*) established on 23 October 1962 for an unlimited duration and incorporated under Belgian law which collects savings from the public. The Issuer is licensed as a credit institution in accordance with the Belgian 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. Belfius Bank’s LEI code is A5GWLFFH3KM7YV2SFQL84.

The share capital of Belfius Bank as at 31 December 2019 was three billion, four hundred and fifty-eight million, sixty-six thousand, two hundred and twenty-seven euros 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 2019, total consolidated balance sheet amounted to EUR 172 billion.

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 “of and for 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.

2 Simplified Group structure as at the date of this Base Prospectus



Belfius and its consolidated subsidiaries are referred to herein as “**Belfius**”.

3 Belfius Bank profile

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 2019, total consolidated balance sheet of Belfius Insurance amounted to EUR 22 billion¹⁰.

Crefius

Company servicing and managing mortgage loans. At the end of 2019, total balance sheet of Crefius amounted to EUR 49 million¹¹.

Belfius Auto Lease

Company for operational vehicle leasing and car fleet management, maintenance and claims management services. At the end of 2019, total balance sheet of Belfius Auto Lease amounted to EUR 397 million¹².

Belfius Lease

Company for financial leasing and renting of professional capital goods. At the end of 2019, total balance sheet of Belfius Lease amounted to EUR 927 million¹³.

Belfius Lease Services

Financial leasing and renting of professional capital goods to the self-employed, companies and liberal professions. At the end of 2019, total balance sheet of Belfius Lease Services amounted to EUR 2,197 million¹⁴.

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 2019, total balance sheet of Belfius Commercial Finance amounted to EUR 1,057 million¹⁵.

Belfius Investment Partners

Company for administration and management of funds. At the end of 2019, total balance sheet of Belfius Investment Partners amounted to EUR 162 million¹⁶ and assets under management amounted to EUR 18.3 billion.

4 Results 2019

In 2019, the net consolidated result for Belfius, before and after tax, was EUR 918 and EUR 667 million respectively. Belfius Banking Group contributed EUR 460.8 million and Belfius Insurance contributed EUR 206.7 million.

Total income was EUR 2,489 million, an increase of 5.4% over 2018. Both net interest income of EUR 1,488 million (+3%) and net fee and commission income of EUR 563 million (+5%) of the bank rose, despite a very

¹⁰ For more details, see the annual report 2019 of Belfius Insurance.

¹¹ Total IFRS balance sheet before consolidation adjustments.

¹² Total IFRS balance sheet before consolidation adjustments.

¹³ Total IFRS balance sheet before consolidation adjustments.

¹⁴ Total IFRS balance sheet before consolidation adjustments.

¹⁵ Total IFRS balance sheet before consolidation adjustments.

¹⁶ Total IFRS balance sheet before consolidation adjustments.

challenging financial environment characterised by persistent low interest rates and the continued risk aversion of customers regarding investments. Belfius' insurance business, both in Life and Non-Life, contributed EUR 295 million and EUR 199 million respectively to total earnings. Taking account of the negative impact of EUR 205 million in banking levies, other income was EUR -56 million.

Belfius was also successful in keeping its costs under tight control, limiting its overheads to EUR 1,452 million (+1.9%), while at the same time implementing an investment programme of EUR 188 million in innovative digital solutions for its customers and recruiting additional commercial and specialist talent for the further development of its services. Combined with increased revenue, this resulted in a substantially improved Cost-Income ratio of 58%, compared to 60% in 2018.

As the result of the increased credit risk on a small number of specific files in the corporate sector, cost of risk and impairments on (in) tangible assets rose to EUR 118 million. Without this impact, the cost of risk for the overall credit portfolio remained historically low and continued to progress in line with what can be expected in relation to the current strong growth in credit-related activities. Rigorous risk management continues to ensure the good quality and diversification of loans and portfolios at Belfius.

Net income before tax increased by 5.9%, to EUR 918.0 million for the year ended 31 December 2019.

The tax expense including deferred taxes increased with EUR 35.0 million, or 16.1%, to EUR 251.9 million for the year ended 31 December 2019, compared to EUR 216.9 million for the year ended 31 December 2018. Mainly given the higher taxable profit in entities of Belfius and the lower amount of non taxable capital gains, an increase of the effective tax rate to 27.4% can be noted in 2019, compared to 25.0% in 2018.

Total equity increased by 5.5%, to EUR 10.5 billion as at 31 December 2019 compared to EUR 10.0 billion as at 31 December 2018. The increase was mainly due to the profit for the period of EUR 667 million. This was partially offset by the payment of the full year 2018 dividend of EUR 363 million and an interim dividend of EUR 100 million on the 2019 profits paid in August. Furthermore, gains and losses not recognised in the statement of income increased with EUR 244 million following the low interest rate environment, lower credit spreads in general and improved equity markets compared to year-end 2018.

At the end of 2019, Belfius' Basel III CET 1 ratio was 15.9%, which continues to position it at an excellent level. The Solvency II ratio for Belfius Insurance was 212%, which also remains very solid. With an LCR ratio of 130% and an NSFR ratio of 116%, Belfius amply met its liquidity requirements.

The Board of Belfius Bank of 2 April 2020 proposed to keep the ordinary dividend for the 2019 accounting year at the level of the interim dividend of EUR 100 million, already paid out in August 2019. This is in line with the ECB recommendation for banks to conserve capital to retain their capacity to support the economy and to absorb potential losses in an environment of heightened uncertainty caused by COVID-19, and hence to refrain from making dividend distributions and performing share buy-backs aimed at remunerating shareholders during the period of the COVID-19-related economic crisis.

CET 1 capital amounted to EUR 8,941 million as at 31 December 2019, compared with EUR 8,329 as at 31 December 2018. At the end of 2019, the total regulatory own funds amounted to EUR 10,830 million compared to EUR 10,230 million at the end of 2018.

End 2019, regulatory risk exposure of Belfius amounted to EUR 56,398 million, an increase with EUR 4,333 million compared to EUR 52,065 million at the end of 2018.

5 Minimum CET 1 requirements (SREP)

For Q1 2020, Belfius must thus comply with a minimum CET 1 ratio of 10.51%, that is composed of:

- a Pillar 1 minimum of 4.5%,

- a Pillar 2 Requirement (P2R) of 2.0%,
- a capital conservation buffer (CCB) of 2.5%
- a O-SII buffer of 1.5% and
- a total countercyclical capital buffer of 0.01% stemming from the applicable countercyclical buffer rates for banks' exposures to French¹⁷ and Luxembourg borrowers

Further to these regulatory requirements, in normal market circumstances and under stable regulations, Belfius had defined a minimum operational CET 1 ratio of 13.5%, on solo and consolidated levels. This ratio is intended to safeguard Belfius' distribution assessment and decision autonomy even under some stressed financial environments. In addition, Belfius' Risk Appetite Framework end 2019 stated that it will manage, in normal market circumstances and stable regulations, with a target CET 1 ratio range of 15% to 15.5%, higher than this minimum operational level to take into account additional unforeseeable elements. Belfius intends to manage its solvency in line with this target zone in normal times and on a steady state basis, unless the above mentioned buffer is (partially or entirely) used, and as long as regulations on statutory and/or consolidated capital ratios would not materially change.

6 Segment reporting

Analytically, Belfius splits its activities and accounts in three segments: Retail and Commercial (RC), Public and Corporate (PC) and Group Center (GC); with RC and PC containing the key commercial activities of Belfius.

- **Retail and Commercial (RC)**, managing the commercial relationships with individual customers and with small & medium sized enterprises both at bank and insurance level.
- **Public and Corporate (PC)**, managing the commercial relationships with public sector, social sector 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 Bond and Derivative portfolio management

Retail and Commercial (RC)

Business description

Belfius Bank offers individuals, self-employed persons, the liberal professions (i.e. doctors, lawyers, etc.) and SMEs a comprehensive range of retail, commercial, private banking, wealth management and insurance products and services. Belfius Bank serves its 3.6 million customers through its integrated omni-channel distribution network, which includes 630 branches, its modern interaction platform Belfius Connect, and a large number of automatic self-banking machines. Belfius has also been developing a digital strategy and is now a leader in mobile banking, with over 1.4 million active mobile users.

Belfius Insurance, a subsidiary of Belfius Bank, offers insurance products to its customers through the Belfius Bank branch network, as well as through the tied agent network of DVV/LAP insurance. Belfius' bank-insurance model is fully integrated, with insurance expertise offered through Belfius Bank branches and the omni-channel distribution network. It also offers insurance products through Corona Direct Insurance, which is, according to Assuralia, the fastest growing full direct insurer in Belgium. Corona operates

¹⁷ Note that the countercyclical capital buffer is assessed on a quarterly basis. In France, the High Council for Financial Stability (Haut Conseil de Stabilité Financière) fully released the countercyclical buffer. As from 2 April 2020 and until further notice, this rate amounts to 0%.

exclusively via digital media and call channels. Through its Elantis and DVV/LAP brands, Belfius Insurance also offers mortgage loans and consumer loans to its customers.

RC results in 2019

RC posted robust commercial activity in 2019. At 31 December 2019, total savings and investments amounted to EUR 114,2 billion, an increase of 8.8% compared with the end of 2018. The organic growth in 2019 amounted to EUR 4.7 billion, much higher than in 2018, showing the increasing confidence of RC customers in Belfius. EUR 41.6 billion (+13%) came from the investments of 121,700 Private customers, serviced by more than 250 local Private Bankers with a certification. In 2019, as was already the case in 2018, clients seem to show more interest for capital protected products, such as payments accounts and saving accounts, in an environment of volatile stock markets. Despite this context, the amount of investments entrusted to Belfius via mandates and service contracts increased by 13% in 2019 to reach EUR 11.5 billion mainly thanks to positive market effects.

On-balance sheet deposits totaled EUR 71.8 billion at 31 December 2019, up (+7.6%) from the end of 2018. Customers still adopted a rather wait-and-see attitude for deposits because of the historically low interest rates. The current and savings accounts reached EUR 15.4 billion (+16.2%) and EUR 47.1 billion (+7.4%) respectively. The investments in term products continue to decrease: -22.9% for savings certificates and -15.3% for term accounts.

Off-balance sheet investments increased by 14.2% compared to the end of 2018, to EUR 31.6 billion, mainly due to positive financial market conditions.

Life insurance reserves for investment products amounted to EUR 10.9 billion, up 1.7% compared to the end of 2018. Investments in Branch 21 life insurance guaranteed products decreased because of the low interest rate environment, but that drop was more than offset by an increase in Branch 23 and Branch 44 products.

Total loans to customers rose strongly (+9.1%) to EUR 53.2 billion at 31 December 2019. The increase occurred mainly in mortgage loans (+9.7%) and business loans (+9.9%). Mortgage loans, which account for two thirds of all loans, amounted to EUR 35.5 billion at the end 2019, while consumer loans and business loans stood at EUR 1.8 billion and EUR 15.4 billion respectively.

New long-term loans granted to retail and commercial clients during 2019 amounted to EUR 13.4 billion compared to EUR 10.8 billion in 2018. In 2019, the new production of mortgage loans continued to increase to EUR 8.0 billion (5.9 billion in 2018). During the same period, EUR 4.5 billion in new long-term business loans were granted, up 12.0% compared to 2018. In 2019, Belfius assisted 14,245 new start-ups.

The total insurance production from customers in the Retail and Commercial segment amounted to EUR 2,302 million in 2019, compared with EUR 2,032 million in 2018, an increase of 13%.

Life insurance production stood at EUR 1,686 million in 2019¹⁸, up 16% compared to 2018¹⁹. Unit-linked (Branch 23) production went up strongly (+31%) thanks to growing product suite and customer demand. Traditional Life (Branch 21/26) production decreased (-4%) following the low interest rate environment.

Non-Life insurance production in 2019 stood at EUR 616 million, up 7% compared to 2018, boosted by the Bank distribution channel (+12%), DVV/LAP Insurance (+3%) and Corona (+6%), Belfius' direct insurer.

¹⁸ Of which EUR 905 million gross written premiums and EUR 781 million transfers/renewals.

¹⁹ Of which EUR 960 million gross written premiums and EUR 495 million transfers/renewals.

Thanks to the “one-stop-shopping” concept of Belfius, the mortgage loan cross-sell ratio for credit balance insurance increased to 143% at the end of 2019. The mortgage loan cross-sell ratio for property insurance remained stable at 85%.

Total insurance reserves, in the Retail and Commercial segment, amounted to EUR 14.0 billion. Life insurance reserves increased slightly (+1%) since end 2018 to EUR 13.0 billion at the end of 2019. Unit-linked reserves (Branch 23) increased by 30%, while traditional guaranteed life reserves (Life Branch 21/26) decreased by 7%, demonstrating the life product mix transformation from guaranteed products to unit-linked products. Non-life reserves remained stable at EUR 1 billion.

Belfius continues to set the pace in mobile banking in Belgium and further developed its digitally supported business model. At the end of 2019, Belfius apps for smartphones and tablets had 1.42 million users (+13%) and were consulted by RC customers on average 37 times per month. The extremely high satisfaction figures show that continuous innovation, focused on user-friendliness and valuable utility for the customer pays off.

Belfius continues to extend the functionalities of its apps. In 2019, 60% of the new pension saving contracts, 42% of the new credit cards and 31% of the new savings accounts were subscribed via direct channels.

RC total net income amounts to EUR 464 million in 2019.

Public and Corporate (PC)

Business description

Belfius offers services to the Belgian public and social sectors (including hospitals, schools, universities and retirement homes). It provides these clients with a wide and integrated range of products and services, including credit lending, treasury management, insurance products, financial markets products and financial IT tools.

Belfius’ corporate banking activities are focused on large- and medium-sized corporates which have a decision-making center in Belgium as well as corporates offering services to the public sector.

Belfius Insurance also sells insurance products to its public and social sector clients. Specific life insurance solutions are offered, especially pension insurance in the first and second pension pillars for civil servants and investment products in Branch 26 (life insurance with a capital guarantee and guaranteed minimum return, to which a variable profit participation feature may be added).

PC results in 2019

As of 31 December 2019, total savings and investments amounted to EUR 37.2 billion, up 6.1% compared to the end of 2018. On-balance-sheet deposits increased by EUR 0.4 billion (+1.7%) to EUR 23.2 billion. Off-balance-sheet customer investments, mainly in the Corporate segment, increased by 15.5% to EUR 13.6 billion. Life insurance reserves on investment products slightly decreased (EUR -0.1 billion) to EUR 0.5 billion.

Total outstanding loans increased to EUR 40.6 billion (+2.4%). In Public & Social Banking, the decrease of outstanding loans continues and is the result of lower demand, increased competition in the segment and a structural shift towards more alternative financing via the (debt) capital markets. Belfius is once again reaping the benefits of its growth strategy on the Belgian corporate market, which is reflected in a 14.5% growth in outstanding loans, to EUR 14.9 billion at the end of December 2019.

Belfius granted EUR 7.2 billion (+6.9%) in new long-term loans in the Belgian economy to Corporate and Public and Social sector clients.

The production of long-term loans for Corporate customers amounted for the second consecutive year to EUR 4.8 billion (+1.2%), confirming Belfius' position as one of the top four banks in the segment. Its market share²⁰ in terms of loans increased from 14.4% in 2018 to an estimated 16% at the end of 2019.

In 2019, Belfius granted EUR 2.3 billion (+20.9%) 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, to which it offers sustainable financing conditions. Belfius manages the cash flow of virtually all local authorities and was awarded 72% of the public sector financing files put out to tender in 2019.

Belfius also further strengthened its leading position in the Debt Capital Markets (DCM) for (semi-)public and private companies by capturing 87% (+1%) and 65% (+13%) of the mandates executed on the Belgian market, respectively. In 2019, the Bank issued EUR 5.9 billion (+1 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 Public and Corporate segment's commercial results in insurance decreased in terms of underwriting volumes, in particular for:

- Non-life insurance production, which amounted to EUR 98.4 million, down -23.0% compared to 2018, as a result of the change of strategy decided in 2018 where Belfius decided to put the Non-Life insurance products offering via brokers in run off. This translates into a reduction of our insurance portfolio generated via brokers by -41.5%. In 2019, Belfius did not participate in any tender launched in the public sector market. As a result, the Wholesale Non-Life Bankinsurance portfolio decreased by -16.1%.
- Gross production in the life segment amounted to EUR 230 million, down 9.2%. This decrease is due to the termination of a sectoral pension contract and the discontinuation of the production of investment products (branch 26) due to the low rate environment. The decrease is partially offset by an increase in the production of the first and second pillar products.

PC total net income amounts to EUR 179 million in 2019.

Group Center (GC)

Group Center operates through two sub-segments.

Run-off portfolios which are mainly comprised of:

- a portfolio of bonds issued by international issuers, especially active in the public and regulated utilities sector (which includes the UK inflation-linked bonds), covered 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

²⁰ Calculated on EAD

corporate and 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.

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 consists mainly of high quality bonds of international issuers.

At the end of December 2019, the ALM Yield bond portfolio stood at EUR 3.6 billion²¹, down 0.9% compared to December 2018, mainly due to amortizations and some limited number of divestments. End of December 2019, the portfolio was composed of corporates (73%), sovereign and public sector (12%), asset-backed securities (8%), and financial institutions (7%). Almost 85% of the corporate bonds, mainly composed of long-term inflation linked bonds, are issued by highly-regulated UK hospitals, infrastructure companies and utilities such as water and electricity distribution companies. These bonds are of satisfactory credit quality, and the majority of these bonds are covered with a credit protection by a credit insurer (monoline insurer) that is independent from the bond issuer.

At the end of December 2019, the ALM Yield bond portfolio has an average life of 20.1 years and the average rating remained at A. 97% of the portfolio is investment grade (IG), compared to 95% at year-end 2018.

Derivatives with Dexia-entities and foreign counterparties

During the period it was part of the Dexia Group, former Dexia Bank Belgium (now Belfius Bank) was Dexia Group's "competence center" 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. Former Dexia Bank Belgium systematically reheded 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 18.4 billion²² at the end of December 2019, down EUR 7.9 billion or -30% compared to EUR 26.4 billion at the end of December 2018.

The derivatives with Dexia entities decreased by 44% (or EUR -9.5 billion) to EUR 12.1 billion at the end of December 2019. This strong decrease is the result of two elements. On the one hand, as a result of the take over of Dexia Kommunalbank by the Landesbank Hessen-Thüringen, EUR 2.6 billion of collateralized derivatives are no longer part of the Dexia derivatives and have been transferred to the segment of derivatives with international counterparties. On the other hand, following amortizations, novations to third parties and further compression of derivatives, the nominal amount of derivatives with Dexia entities further decreased by EUR 7 billion.

The derivatives with international counterparties increased by EUR 1.6 billion (or 33%) to EUR 6.3 billion, due to the above mentioned transfer of collateralized derivatives, which more than compensated for the decrease of non-collateralized derivatives due to deleveraging actions.

The fair value of the Dexia and international counterparties' derivatives amounts to EUR 4.2 billion. After collateralisation the Exposure At Default (EAD) amounts to EUR 1.4 billion.

²¹ Nominal amount

²² Nominal amount.

At the end of December 2019, the average rating of the total portfolio stood at BBB+ and the average residual life of the portfolio stood at 12.3 years (2) compared to 14.1 years²³ at the end of December 2018. The decrease in average rating (from A- as of year-end 2018) relates to a novation of uncollateralized derivatives from an AAA-rated counterparty into collateralized derivatives with a lower rated counterpart.

Credit guarantees

At the end of December 2019, the credit guarantees portfolio amounted to EUR 3.7 billion²⁴, stable compared to December 2018, as there were no material maturities. It relates essentially to Financial Guarantees, and Credit Default Swaps issued on corporate/public issuer bonds (86%) and ABS (14%). The good credit quality of the underlying reference bond portfolio, additional protection against credit risk incorporated in the bond itself and the protections purchased by Belfius mainly from various monoline insurers (US reinsurance companies, essentially Assured Guaranty) result in a portfolio that is 100% investment grade (IG) in terms of credit risk profile. This portfolio also contains Total Return Swaps for an amount of EUR 0.4 billion²⁵.

At the end of December 2019, the average rating of the portfolio stood at A (compared to A- at year end 2018) and the average residual life of the portfolio stood at 9.6 years.

ALM Liquidity bond portfolio

The ALM Liquidity bond portfolio is part of Belfius Bank's total LCR liquidity buffer and is a well diversified, high credit and liquidity quality portfolio.

At the end of December 2019, the ALM Liquidity bond portfolio stood at EUR 8.1 billion²⁶, up EUR 0.4 billion or +5.1% compared to December 2018, is in line with Belfius' investment program in LCR eligible bonds. End of December 2019 the portfolio was composed of sovereign and public sector bonds (61%), covered bonds (32%), asset-backed securities (4%) and corporates bonds (3%). The Belgian and the Italian government bonds in the ALM Liquidity bond portfolio amounted both to EUR 1.5 billion²⁷ as of 31 December 2019.

At the end of December 2019, the ALM Liquidity bond portfolio has an average life of 7.7 years, and an average rating of BBB+ (100% of the portfolio being investment grade (IG)).

Other Group Center activities

The other activities allocated to Group Center include:

- 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;
- 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;
- the flow management, a.o. hedge management, of internal and external interest rate derivative flows because Group Center is Belfius' Competence Center for interest rate derivatives;
- treasury activities (money market activities); and

²³ Calculated on EAD.

²⁴ Nominal amount.

²⁵ Nominal amount.

²⁶ Nominal amount.

²⁷ Nominal amount.

- the results including revenues 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 total net income amounts to EUR 25 million in 2019.

7 Post-balance sheet events

Several real estate deals

In 2020, Belfius Insurance concluded several real estate deals resulting in a positive impact on the income for 2020.

Important prepayment penalties on leasing contracts

At the beginning of 2020, Belfius realised an increase in income after the early termination of certain lease contracts.

Issuance of Mortgage Pandbrieven

Belfius has issued on 21 January 2020 EUR 500 million Mortgage Pandbrieven with a maturity of ten years. With this transaction Belfius diversifies its investor base and further optimizes its funding profile.

COVID-19

Since the World Health Organization (WHO) declared the COVID-19 outbreak a public health emergency of international concern in January 2020, it has spread across the globe. The WHO has continuously raised its global risk outlook and announced more new cases outside of China than within for the first time on 26 February 2020. The outbreak is a major shock weighing on global financial markets and is now expected to heavily impact global economic growth.

In March 2020, the European Commission announced to delay new capital requirements for credit institutions taking into account the crisis surrounding the COVID-19 pandemic in order to encourage business and consumer lending and support the economy.

In these unprecedented and difficult times, Belfius is therefore assuming its responsibilities and, as far as it is able, Belfius will go the extra mile to remain at the service of its retail as well as business, corporate, public and social profit customers. Belfius will therefore also cooperate in solidarity with the measures agreed on 22 March 2020 by the Belgian government and the Belgian banking sector.

The COVID-19 pandemic led to negotiations between the Belgian Federal Government, the National Bank of Belgium and the Belgian financial sector to provide temporary support to businesses, self-employed individuals and private households which run into liquidity issues. This led to a number of agreements aimed at protecting businesses and individuals which suffered an economic hit as a result of the COVID-19 crisis. Private individuals who are confronted with payment difficulties can receive a suspension of payment for their mortgage loans, while solid businesses and self-employed individuals can receive a deferment of payments under their credits. Furthermore, a State guarantee scheme was put in place. This guarantee scheme applies to qualifying short-term credits granted by credit institutions to viable non-financial companies.

Dividend

In line with the recommendation of the European Central Bank regarding the distribution of dividends by credit institutions (dated 27 March 2020), the Board of Directors of Belfius Bank has decided on 2 April 2020

to propose to the Shareholder General Assembly of 29 April 2020 to maintain the ordinary dividend for the 2019 results at EUR 100 million (corresponding to the interim dividend already paid in August 2019) and also to retain within its reserves the residual ordinary dividend of EUR 161 million that was previously proposed back in February 2020. Furthermore, in line with the ECB recommendation, the Board has also decided that any proposal for, and any distribution of, a dividend for 2020 will be postponed until at least 1 October 2020. In this way Belfius is increasing its ability to fulfil its commitment to Belgian society. As a result of this decision regarding the ordinary dividend for 2019, Belfius has further strengthened its CET 1 ratio to 15.9% at year-end 2019. Belfius has thus considerable reserves to tackle this crisis.

8 Risk Management

Fundamentals of credit risk in 2019

The world economy decelerated sharply in 2019 on the back of trade policy uncertainty and geopolitical tensions. Nevertheless, growth in Belgium remained remarkably robust and contracted only slightly, coming down from 1.5% in 2018 to 1.4%. Inflation lowered by the strong deceleration in energy prices. Employment growth decelerated slightly compared to the peak in job creation in 2017. In 2019, according to Graydon, 11,817 Belgian companies were forced to cease business, an increase of 10.29% compared with 2018. This strong increase in bankruptcy, however, is not related to a possible waning economic climate, but rather a consequence of the application of recent legislation (e.g. the new law on ghost companies).

Banking activities in Retail and Commercial

Against this background, lending to the Retail and Commercial business line remained at a high level, and this based on a stable lending policy in general, albeit adjusted for some elements.

The production of mortgage loans reached a record high in 2019, with a volume 43% above the 2018 level (Exposure At Default, “EAD” end 2019: EUR 34,042 billion). This substantial increase is explained by the decision of the Flemish government to terminate the tax benefits on mortgage loans and potentially the communication by the NBB of “supervisory expectations’ regarding the lending standards of mortgage loans” obliging banks to strengthen their underwriting criteria. The anticipation on these measures, which enter into force in 2020, in combination with the low interest rates has boosted the production in the 2nd half of the year. The share of loans with a longer maturity combined with a slightly higher LTV in the portfolio continued to increase. Notwithstanding this evolution, the overall credit quality of the mortgage portfolio remained excellent and even slightly improved (as illustrated by the average probability of default).

The historical low risk level of the mortgage portfolio is also reflected by the cost of risk that remains at a very low level. The Risk Department continued its monitoring of the potential higher risk segments of mortgage loans. In addition to this, in the course of 2019 measures were taken to strengthen the underwriting criteria, in particular for Buy-to-Let transactions regarding retail clients with low savings. Also a specific Risk Appetite Framework was installed which consists of a strengthening of the overall underwriting framework and a close follow-up of the production.

The production of consumer loans in 2019 was 7% lower than the previous year (EAD end 2019: EUR 2,421 billion). The share of loans via mobile channels remained unchanged in 2019; around 13% of the consumer loans were contracted by using the Belfius App. The criteria used for granting consumer loans have been reviewed in 2019, a.o. taking into account stronger limits for repayment capacity and net available income in order to remain completely aligned with the “Responsible Lending” charter of the Belgian Financial Sector Federation (Febelfin).

Belfius offers self-employed persons, liberal professions (i.e. doctors, lawyers, etc.) and SMEs a comprehensive range of retail, commercial, private banking, wealth management and insurance products and services, through its integrated omni-channel distribution network (EAD end 2019: EUR 18,661 billion). . Belfius Bank’s approach to have lending decisions for business loans taken by local teams working close to

the customer was further intensified in 2019. This strategy contributes to a better customer service while numerous tests and realised statistics indicate that the risk remains under control. The continuous fine-tuning of the decision-making logic and the enhanced and quickly reactive monitoring on deteriorating risk profiles is bearing fruit. Through the continuation of the “Go4Credits” project, Belfius enhanced also in 2019 the efficiency of its credit approval process for the Commercial Business line.

Belgian SMEs generally remained in good shape after their economic and financial situation already substantially improved in 2018, and this despite the fact that they were more and more confronted with a changing consumer pattern (e.g. e-commerce). Overall, the cost of business loans at Belfius Bank remained at a good risk/return level and within the target levels. Belfius therefore intends to keep supporting the production of business loans, also in relation to start-ups. At the same time, the Risk department continues the improvement of the process of early warning indicators in order to keep permanently the risks in this market segment well under control.

Banking activities in Public and Corporate

In 2019, Belfius kept offering services to the Belgian public and social sectors (including hospitals, schools, universities and retirement homes). It provides these clients with a wide and integrated range of products and services, including credit lending (EAD end 2019: EUR 39.187 billion).

The Public Sector loans portfolio maintained its very low risk profile. The balance of payments of the majority of Belgian municipalities showed in 2019 an equilibrium, or even a surplus. Local authorities continue in such a way their positive collective contribution to the budgetary exercise of the country as a whole. The decline of indebtedness of municipalities, driven by a still low level of investment, continued in 2019 together with the decrease of interest charges. However, the new municipal legislature that started in 2019 will have to cope with a very difficult financial context, confronting constantly rising expenditures (social welfare, security, ...) with ever more slowly growing revenues. These conflicting budgetary tensions will burden local authorities with a difficult task. They must indeed continue to offer a good service while safeguarding a budgetary balance. During the current legislation e.g. the pension bill will end up in full force at the local authorities. Most of them will struggle with the pension costs related to their statutory staff, because the number of active staff members is getting smaller and smaller compared to their retired colleagues. This pension challenge has been figured out years ago and meanwhile some measures have been taken, but they are insufficient to keep the current bill acceptable. For some municipalities, especially the cities, this will imply that taxes must be raised, investments postponed and services reduced, if no action is undertaken by other government levels.

From a risk management point of view, the hospital sector remains a focus of attention. Hospitals have in general an acceptable financial structure, built up over years through a fair equity base accompanied by government subsidies. Nevertheless profitability remains often vulnerable. One third of the hospitals are making a loss. Their repayment capacity is by consequence reduced. But the activity level of hospitals, and consequently their revenues recently grew thanks to the introduction of innovative treatments and/or pharmaceuticals. Day hospitalisation keeps gaining importance. The main challenge however remains that patient care for an aging population has to be realized within a challenging budgetary context, and this in a future proof and technical environment. That's why the hospital sector is currently undergoing a structural transformation. The Minister of Public Health indeed launched a long-range Care reform plan in order to reshape the hospital landscape. A law voted in February 2019, imposes general hospitals to regroup into 25 hospital networks from 1 January 2020 onwards: 13 in Flanders, 8 in Wallonia and 4 in Brussels. Network proposals are currently in the process of recognition by the respective Regions. The new networks will be responsible for the definition of their care supply and internal organization. Every member of a hospital network will still offer general care, but must also specify how it will organize more specialized services (e.g. maternity, emergency, ...) throughout the network. In this way the new hospital networks may become an essential step for the improvement of health services and for the financial health of the sector.

Belfius' corporate banking activities (EAD end 2019: EUR 25,812 billion) are focused on large- and medium-sized corporates which have a decision-making center in Belgium as well as corporates offering services to the public sector. The Belgian economy is heavily dependent on international trade and most of its economic sectors are geared towards exporting products. The framework underpinning international trade became steadily more uncertain and riskier in 2019. For firms focused on international business, it became hard to navigate in this new context and to form clear expectations on the future profitability of this type of activities. However Belfius has taken the necessary measures to ensure that her growth strategy in this segment goes hand in hand with a good creditworthiness and acceptable risk concentrations. And so the credit profile of the corporate lending remained fairly stable during 2019. Our cost of risk in the corporate segment however raised, not in general, but due to some specific and limited number of files in Stage 3 or that migrated from Stage 2 to Stage 3 in 2019. It concerns Belgian companies with business operations in an international context: they were directly or indirectly impacted by evolutions in the global economy, having an impact on their trade flows.

Belfius monitors sector risks in a proactive way and defined specific measures with regard to a limited number of more vulnerable sectors.

Real estate financing (EAD end 2019: EUR 46,421 billion), related to both residential and commercial real estate, is an important business activity within Belfius. Also on industry level, the Bank's lending activity in the real estate sector continues to increase considerably. The evolution of real estate financing over the last years is to be evaluated in the context of the following factors: the sustaining low interest rate environment, the fact that Belgian banks have a large deposit base and are confronted with a search for yield, the gross debt ratio of Belgian households that has increased and has recently slightly exceeded the average EUR area ratio. This combination of elements induces a concern at NBB level about an over-valuation of the Belgian (residential) property and about the threat of strong volume growth with potentially lower credit standards, lower margins and low provisioning levels. Belfius is aware of these potential pitfalls and has traditionally applied strict origination and acceptance criteria (LTV, maturity, collateral valuation) on new transactions and a solid monitoring of projects, in both residential and commercial real estate financing. The afore-mentioned origination and acceptance criteria for that matter will be further reinforced due to new prudential expectations established by the National Bank. Belfius real estate credit exposure is considered as being correctly diversified in terms of underlying asset types, individual name concentration and geographical spread.

Finally, it is worth mentioning that active portfolio management keeps playing an important role within Belfius, in the first place through the gradual sale of higher risk exposures and/or exposures that are no longer considered as being core business (the shipping-related business without a commercial relationship meanwhile has been reduced to a negligible level), but also by developing risk hedging and risk sharing programs.

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 the Bank and Insurance are permitted, on the condition that both parties agree. The CROs of Belfius Bank and Belfius Insurance coordinate the requests among each other.

Exposure to credit risk

Breakdown of credit risk by counterparty

	31 December 2018	31 December 2019
(FEAD ²⁸ , in EUR billion)		
Central governments	20.5	18.1
Public sector entities	45.7	44.3
Corporate.....	32.9	36.4
Monoline insurers	4.5	4.7
ABS/MBS	0.8	0.7
Project Finance.....	2.2	2.4
Individuals, self-employed and SME's	47.9	52.2
Financial institutions	12.1	13.4
Total.....	166.7	172.4

Belfius credit risks are of course based on a consolidation scope that includes its fully consolidated subsidiaries, Belfius Insurance included.

As at 31 December 2019, the total credit risk exposure, within Belfius reached EUR 172.4 billion, an increase of EUR 5.7 billion or 3.4% compared to the end of 2018.

The credit risk exposure increased with 3.4% to EUR 158.0 billion at bank level. At the level of Belfius Insurance, the credit risk exposure increased by 3.1% to EUR 14.4 billion at the end of 2019.

The credit risk exposure on public sector entities and institutions that receive guarantees of these public sector entities (26% of the total) and on individuals, self-employed and SMEs (30% of the total) constitute the two main categories.

The credit risk exposure on public sector entities decreased with EUR 1.4 billion while the credit risk exposure on individuals, self-employed and SMEs increased by EUR 4.3 billion due to increasing commercial activities.

The expansion of Belfius' corporate activities is also reflected in higher credit risk exposure (+EUR 3.5 billion) for this segment leading to an increase of its relative proportion from 20% by the end of 2018 to 21% by the end of 2019.

²⁸ Full Exposure At Default.

The relative proportion of the segment central governments declined from 12% end 2018 to 11% end 2019. Inside this segment, the credit risk on government bonds increased by EUR 0.3 billion to EUR 10.0 billion at the end of 2019. Nearly 50% of the government bonds portfolio is invested in Belgian government bonds. While at bank level the Belgian government bonds represents 40% of the total government bond portfolio, the relative proportion at Belfius Insurance stood at 57%.

The credit risk exposure on financial institutions increased in 2019 by EUR 1.3 billion and the relative proportion stood at 8% at the end of 2019 against 7% at the end of 2018. This increase is mainly due to an higher activity in securities financing transactions.

The credit risk on monoline insurers is predominantly an indirect risk arising from credit guarantees written by Belfius Bank and reinsured with monoline insurers, mainly on bonds issued by infrastructure companies and utilities. During 2019, the relative proportion of the monoline insurers remained stable at 2.7%.

Belfius' positions are mainly concentrated in the European Union: 95% or EUR 150.8 billion at bank level and 98% or EUR 14.1 billion for Belfius Insurance. 76% of the total credit risk exposure is on counterparties categorised in Belgium country exposures, 5% in the United Kingdom and in France, 2% in Spain and in the United States and Canada, and 1% in Italy and Germany.

The credit risk exposure to counterparties in the United Kingdom amounted to EUR 9.5 billion. About half of this credit risk exposure concerns bonds, of which close to two-third are inflation-linked, issued by utilities and infrastructure companies in the United Kingdom that operate in regulated sectors such as water, gas and electricity distribution. These bonds are of satisfactory credit quality (100% investment grade), and moreover the majority of the outstanding bonds are covered with a credit protection issued by a credit insurer that is independent from the bond issuer. The remainder concerns the bond portfolio of Belfius Insurance, a short-term credit portfolio for treasury management of Belfius Bank and receivables on clearing houses. The credit risks on those portfolios are also of satisfactory credit quality.

At the end of December 2019, 82% of the total credit risk exposure had an internal credit rating investment grade (IG).

Asset quality

At the end of 2019, the amount of impaired loans and advances to customers was EUR 1,859 million, which is a slight decrease of 0.3% compared to end 2018. Nevertheless the asset quality ratio improved from 2.05% to 1.96% following the strong increase (+4.5%) in gross outstanding loans. In 2019, the stage 3 impairments on loans and advances increased with EUR 11 million. As a consequence the coverage ratio slightly increased to 62.3% at the end of 2019. The stage 1 & 2 impairments on loans and advances to customers increased by EUR 21 million since end 2018 to EUR 358 million at the end of the year.

Liquidity risk

Liquidity profile

During 2019, Belfius consolidated its diversified liquidity profile by:

- maintaining a funding surplus within the commercial balance sheet;
- continuing to obtain diversified long-term funding from institutional investors by issuing, amongst others, Covered Bonds, Preferred Senior Bonds (PS) and Non Preferred Senior Bonds (NPS) anticipating the future final MREL objectives;
- collecting short and medium-term (CP/CD/EMTN) deposits from institutional investors.

The Liquidity Coverage Ratio (LCR) is based on the Delegated Act requirements and measures the ability to fund liabilities over a one month horizon. Belfius Bank discloses its 12-month average LCR in accordance

with the European Banking Authority's guidelines on LCR disclosure. Belfius Bank closed the year 2019 with a 12-month average LCR of 130%.

The Net Stable Funding Ratio (NSFR), defines a minimum acceptable amount of stable funding based on the liquidity characteristics of the assets over a one year horizon. The NSFR based on our current interpretation of Basel III rules, stood at 116% at year-end 2019.

Minimum requirement for own funds and eligible liabilities

On 17 April 2019, the National Bank of Belgium (NBB) has notified Belfius Bank of the MREL requirement imposed by the Single Resolution Board (SRB).

The Single Resolution Board (SRB) determines the consolidated MREL requirement for Belfius Group at the level of 10.56% of Total Liabilities and Own Funds (TLOF), to be met at all times and taking into account an evolving balance sheet. Based upon data as of 31 December 2019, Belfius' MREL of EUR 17.04 billion exceeds the MREL requirement of EUR 14.38 billion.

Following the current SRB methodology, Belfius Group already exceeded the MREL requirement based on data as of 31 December 2017, and hence no transitional period has been defined by the SRB for Belfius.

According to the latest SRB MREL policy, a subordinated MREL floor of $[14\% + \text{CBR}]$ of Total Risk Exposures has been put forward as benchmark for O-SIBs. Applying this benchmark, using current CBR applicable to Belfius, would lead to a benchmark level of subordinated MREL of 18.07% of the Total Risk Exposures as of 31 December 2019. Based upon data as of 31 December 2019, Belfius' subordinated MREL level amounts to 22% of Total Risk Exposures and hence exceeds the benchmark.

The SRB has indicated that it intends to publish its "MREL policy 2020" by end of April 2020 and that it will form the basis for MREL setting under BRRD2 / SRMR2. If such timing is respected, the SRB expects to communicate the BRRD2 MREL decisions to banks early 2021. Until end 2020, SRB MREL decisions continue to be based on SRMR1 / BRRD1.

Following the publication of the RRM Package in the Official Journal of the EU on 7 June 2019 and the CRR2 that came into force on 27 June 2019, it is to note that Belfius will be impacted by a change in MREL eligibility as "liabilities should be directly issued and should not be owned by an undertaking in which the institution has a participation of more than 20%". As a consequence, Belfius will have to exclude liabilities issued by Belfius Financing Company, i.e. Belfius' Luxembourg based issuance vehicle for CP and Retail Bonds (that are currently partly accounted for as MREL eligible instruments). Excluding these retail senior securities Belfius remains compliant with its 10.56% MREL requirement as of December 2019.

Liquidity reserves

At the end of 2019, Belfius Bank had quickly available liquidity reserves of EUR 28.6 billion. These reserves consisted of EUR 6.1 billion in cash, EUR 13.4 billion in ECB eligible bonds (of which EUR 9.6 billion are CCP-eligible), EUR 5.9 billion in other assets also eligible at the ECB and EUR 3.1 billion in other liquid bonds.

These liquidity reserves represent 4.9 times the Bank's institutional funding outstanding end 2019 and having a remaining maturity of less than one year.

Funding diversification at Belfius Bank

Belfius Bank has a historical stable volume of commercial funding that comes from its RC and PC customers. Seeing the further increase of commercial funding, this source of funding represents an increasing part of total funding of Belfius Bank. RC and PC funding equals EUR 95 billion of which EUR 71.8 billion is from RC. The increase of EUR 5.5 billion commercial funding compared to 2018 is used to finance the increase of commercial loans.

The loan-to-deposit ratio, which indicates the proportion between assets and liabilities of the commercial balance sheet, was 94% at the end of 2019.

Belfius Bank also receives medium-to-long-term wholesale funding, including EUR 8.1 billion from covered bonds (EUR 5.6 billion backed by mortgage loans and EUR 2.4 billion by public sector loans) and EUR 4.0 billion in TLTRO funding from ECB as at 31 December 2019.

Note that during 2019 Belfius Bank issued EUR 0.5 billion Covered Bonds, EUR 0.75 billion Preferred Senior Bonds and EUR 0.5 billion Non Preferred Senior Bonds. The Preferred and Non Preferred Senior Bonds will enable us to further contribute to the new expected regulatory requirement of MREL.

The remainder of the Bank's funding requirements comes from institutional short-term deposits (Treasury) mainly obtained through placement of Certificates of Deposit and Commercial Paper.

Next to that, Belfius Bank also has a historical bond portfolio, including an ALM portfolio for liquidity management purposes, with highly liquid assets.

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 low interest rates, in net terms, Belfius Bank posts more collateral than it receives.

Encumbered assets

Encumbered assets represent the on- and off-balance sheet assets that are pledged or used as collateral for Belfius' liabilities. Belfius has encumbered a part of its loan portfolio for issuing covered bonds and residential mortgage-backed securities (RMBS). Furthermore, assets are encumbered for repurchase agreements and collateral swaps. Belfius also participates in TLTRO, for which assets are pledged as collateral. Finally a part of Belfius' encumbrance results from collateral posted to secure derivatives transactions. Belfius Bank has an internal RAF limit set at maximum 25%.

Belfius is active on the covered bond market since the set-up of the first covered bond programme in 2012.

The Bank is also collecting funding through repo markets for a limited amount and other collateralised deposits. A small part of the credit claims is pledged directly as collateral for intraday liquidity.

Since 2017 in the context of the management of its liquidity buffer, Belfius is also active in securities lending transactions under agreed Global Master Securities Lending Agreements (GMSLA).

The balance of encumbered assets is mainly linked to collateral pledged (gross of collateral received) for the derivatives exposures under the form of cash or securities. A significant part of collateral pledged is financed through collateral received from other counter-parties with whom the Bank concluded derivatives in the opposite direction.

Regarding the "Other assets" (unencumbered) on balance sheet, they are mainly composed of assets not available for encumbrance such as derivatives value, fair value revaluation of portfolio hedge and tax assets.

At year end 2019 (point-in-time) the sources of asset encumbrance (matching liabilities) mainly consisted of:

- own covered bonds issued (EUR 8.1 billion)
- TLTRO (EUR 4 billion)
- derivatives exposures (EUR 11.1 billion)
- securities lending transactions (EUR 1.4 billion)

9 Ratings

As at the date of this Base Prospectus, Belfius Bank had the following ratings

	Stand-alone rating (*)	Long-term rating	Outlook	Short-term rating
Fitch	a-	A-	Negative	F1
Moody's	baa2	A1	Stable	Prime-1
Standard and Poor's	a-	A-	Stable	A-2

(*) *Intrinsic creditworthiness*

10 Other information

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.

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.

Other than as stated in the section Post-balance sheet events, 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 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 tax payer.

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, (i) a present obligation has arisen as a result of past events, (ii) it is probable that Belfius will have to make a payment, and (iii) 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. 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. Such impact remains unquantifiable at this stage. Note that, apart from the cases listed below, a vigilance has been observed in the prevention of money laundering (AML) in the Belgian financial sector. In this context, as is customary, Belfius is collaborating with the Belgian authorities and monitors this closely.

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 four treasury notes issued by Municipal Holding (*Gemeentelijke Holding/Holding Communale*), placed by Belfius acting as dealer under the Municipal Holding commercial paper programme, between July and September 2011 (Commercial Paper programme). 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 demands 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 rejects 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.

There was no significant evolution in this claim since 2016. The date of the hearings is not yet known.

No provision has been made for this claim.

Arco - Cooperative shareholders

Various parties, including Belfius Bank, have been summoned by Arco - Cooperative shareholders in three separate procedures, i.e. one procedure before the Dutch speaking Commercial Court of Brussels, one procedure before the Court of First Instance of Antwerp, Section Turnhout and another procedure before the Court of First Instance of Brussels.

On 30 September 2014, 737 shareholders from three 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. The plaintiffs have requested that the Brussels Court rule, among other things, that:

- the agreements by virtue of which they became shareholders of the relevant Arco entities are null and void;
- the defendants should, jointly and severally, reimburse the plaintiffs their financial contribution in these entities plus interest; and
- the defendants are liable for certain additional damages to the plaintiffs.

The financial contribution of the 2,169 plaintiffs for which reimbursement is sought amounted to approximately EUR 6.5 million (principal amount) as at the date of this Base Prospectus. 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 allegedly containing misleading information issued by the predecessors of Belfius Bank. The Belgian State and the Chairman of the Management Board of the Arco entities are also defendants in the proceedings before the Commercial Court of Brussels. Belfius Bank has submitted its first legal briefs in August 2018 and has submitted its second legal briefs in March 2020. The case will normally be pleaded during several pleading sessions in June 2021.

Separately from the abovementioned proceedings before the Commercial Court of Brussels, on 24 October 2016, three shareholders in Arcopar initiated court proceedings (the “Turnhout Proceedings”) against Belfius Bank before the Court of First Instance of Antwerp, section Turnhout. The plaintiffs in the Turnhout Proceedings request that Belfius Bank is to be held liable to pay an “undetermined provisional amount of

EUR 2,100” per plaintiff plus interest and costs, because they claim that Belfius Bank misled them in subscribing Arcopar-shares. As at the date of this Base Prospectus, the aggregate amount of the claims of the plaintiffs in the Turnhout Proceedings amounted to approximately EUR 6,300 (in principal amount). The plaintiffs base their claims upon promotional material that was distributed by the predecessors of Belfius Bank as well as the Arco entities and the former Belgian Christian collective of workers’ associations (ACW). On 27 February 2017, Belfius Bank summoned Arcopar to intervene in the Turnhout Proceedings and to indemnify Belfius Bank for any amount for which it would be held liable towards the plaintiffs. In subsidiary order, the plaintiffs have also filed a claim against Arcopar and Belfius Bank requesting that their subscription of Arcopar shares is to be declared null and void. On 3 April 2018, the plaintiffs also summoned the Belgian State to intervene in the Turnhout Proceedings. All parties requested the Court to transfer this case to the Court of First Instance of Brussels. The Court decided on 19 November 2018 to grant the requested transfer and this procedure is now joined with the procedure before the Court of First Instance of Brussels.

Furthermore, on 7 February 2018, two 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 7 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 organized themselves via social media to mobilize other Arco shareholders to become claimant in this procedure, and to the knowledge of Belfius, as end December 2019, approximately 5,380 Arco shareholders did so. 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.

Ethias

Belfius was party to a litigation with Ethias. This litigation, which was initiated in 2016, concerned one of Belfius’ complementary pension plans managed by Ethias within the framework of a group insurance contract. In 2019, Belfius and Ethias reached an out-of-court settlement, as a result of which Belfius and Ethias agreed to withdraw and stop their legal actions on the matter in September 2019.

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.

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 International Luxembourg (i.e. former entities of the Dexia group).

To date, Belfius Bank did not receive any further information since the above mentioned police search.

Management and Supervision of Belfius Bank

Composition of the management board and the Board of Directors

1. *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.

As from 1 January 2019, the Management Board has consisted of the following five members:

<u>Name</u>	<u>Position</u>	<u>Significant other functions performed outside Belfius Bank</u>
Marc Raisière	Chairman	none
Marianne Collin	Member	none
Dirk Gyselinck	Member	none
Olivier Onclin	Member	none
Johan Vankelecom.....	Member	none

In addition, effective 1 January 2019, the Management Board in consultation with the Board of Directors appointed 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 attend the meetings of the Management Board in an advisory capacity.

A Group Management Committee was also established from 1 January 2019 onwards. This Committee is made up of the five members of the Management Board of Belfius Bank, the chairman of the Management Board of Belfius Insurance (Mr. Dirk Vanderschrick) and the three associated members of the Management Board. The Group Management Committee deals with various group strategic matters and important issues for a bankinsurance group.

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 the Bank's overall policy, nor actions reserved for the Board of Directors by the other provisions in the Companies and Associations Code 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 advices to the Board of Directors with a view to define or improve 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 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.

2. *Board of Directors*

The Board of Directors defines and supervises the strategy and objectives of the bank as well as the risk management, including the level of risk appetite, on proposal or recommendation of the Management Board.

In the context of this responsibility, the Board of Directors is actively involved in general policy, in particular with regard to supervision of the risk policy, organisation and financial stability of the bank and its governance, including the definition of the bank's objectives and values. The Board of Directors also approves the 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.

As from 1 January 2019, the Board of Directors consists of fifteen members, five of whom sit on the Management Board.

The appointment of a new director, Mrs. Isabel Neumann, as well as the appointment of Mr. Jozef Clijsters as independent director have been submitted to and accepted by the Ordinary General Meeting of Shareholders of 2020.

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
Jozef Clijsters.....	Chairman of the Board of Directors of Belfius Bank	none
Marc Raisière.....	Chairman of the Management Board Responsible for IT, Digital & Data, Human Resources Management, Communication, Audit, Corporate Office & Secretary General	none

Name	Position	Significant other functions performed outside Belfius Bank
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 Public & Corporate Banking, Financial Markets, Wealth Management, Customer Loan Services	none
Olivier Onclin	Member of the Management Board Responsible for Retail & Commercial Banking, Customer Transaction Services	none
Johan Vankelecom.....	Member of the Management Board Chief Financial & Strategic Officer, Responsible for Corporate strategy, M&A, Partnerships, Participations, Capital Management, Financial Conglomerate Steering and Investor Relations, ALM, Legal & Tax, Accounting, Strategic Planning and Performance Management (SPPM), Strategic Research & Belfius' Asset Management	none
Paul Bodart.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies and non-profit organisations
Jean-Pierre Delwart.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Chairman of the Board of Directors of Solvac

Name	Position	Significant other functions performed outside Belfius Bank
Martine De Rouck.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Independent Director of Orange Belgium
Carine Doutrelepon.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Lawyer and full Professor at the Université Libre de Bruxelles (ULB)
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)	Experienced Financial Professional (Former Managing Director, Investment Banking of Bank of America, Merrill Lynch)
Diane Zygas-Rosen	Member of the Board of Directors of Belfius Bank (Independent Director)	Director Humanitarian Services at Belgian Red Cross and Vice President Blood Services at Belgian Red Cross
Chris Sunt.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Lawyer until 29 April 2020 - Honorary lawyer from 1 March 2020 onwards
Lutgart Van Den Berghe.....	Member of the Board of Directors of Belfius Bank (Independent 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 (Independent Director)	Full Professor in Financial Economics and Banking at the University of Ghent (UG) and lecturer Banking and Insurance at Solvay Business School (ULB)

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.

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. In line with the EBA guidelines, the majority of the members of the advisory committees are independent directors. These directors are members of a maximum of three of these advisory committees. A Mediation Committee has 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.

1. *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
Jozef Clijsters.....	Member - Chairman of the Board of Directors of Belfius Bank
Diane Zygas-Rosen.....	Member - Director of Belfius Bank
Cécile Coune.....	Director of Belfius Insurance, invited as representative of Belfius Insurance

The members of the Nomination Committee have the required skills, on the basis of their education and 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 approval of the Shareholders Meeting or of the Board of Directors as the case may be, candidates suited to filling 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 time commitment expected ; 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 to be 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 whole.

The Nomination Committee may use any type of resources that it considers to be appropriate to the performance of its task, including external advice, and receives appropriate funding to that end.

The Nomination Committee acts for Belfius Bank, Belfius Insurance, Corona and Belfius Investment Partners.

2. *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
Jozef Clijsters.....	Member - Chairman of the Board of Directors of Belfius Bank
Diane Zygas-Rosen.....	Member - Director of Belfius Bank
Cécile Coune	Director of Belfius Insurance, invited as representative of Belfius Insurance

The members of the Remuneration Committee have the required skills, on the basis of their education 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 interacts regularly with the Risk Committee and the Audit Committee.

The Risk Committee ensures that the Belfius group's risk management, capital requirements and liquidity position, as well as the probability and the spread in time of profit are correctly taken into consideration in decisions relating to remuneration policy.

The Audit Committee contributes to the establishment of objectives for the Auditor General and the Compliance Officer.

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 under the Board of Directors. The Board of Directors submits these remuneration proposals to the General Meeting 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 the Belfius Bank 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 the Belfius Bank Management Board.
- Advising the Board of Directors in relation to the remuneration policy for employees whose activity has a material impact on the risk profile of the Belfius group (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 such people.
- 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.

3. *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

Name	Position
	Director of Belfius Bank
Paul Bodart	Member
	Director of Belfius Bank
Chris Sunt	Member
	Director of Belfius Bank
Marine De Rouck.....	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 three joint meetings in 2019, in particular when the insurance company's annual financial statements for 2018 and the half-yearly financial statements at 30 June 2019 were presented.

4. 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
	Member
Georges Hübner	Director of Belfius Bank
Diane Zygas-Rosen	Member
	Director of Belfius Bank
Chris Sunt	Member
	Director of Belfius Bank
Isabel Neumann	Invited as observer
	Director of Belfius Bank

The members of the Risk Committee have the individual expertise and professional experience required to define the strategy regarding risk and the level of risk appetite of Belfius Bank.

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;
- the guarantee 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
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP) and the Recovery Plan.

The Risk Committee of Belfius Bank operates independently of the Risk and 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, subject 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 to take the form of a joint meeting.

5. *Mediation Committee*

A Mediation Committee has been established within the Belfius group.

As at the date of this Base prospectus Mediation Committee has the following membership:

Name	Position
Jozef Clijsters	Chairman - Chairman of the Board of Directors of Belfius Bank
Jean-Pierre Delwart	Member Independent Director of Belfius Bank
Carine Doutrelepon	Member Independent Director of Belfius Bank
Jean-Michel Kupper	Member Independent Director of Belfius Insurance

The Mediation Committee is responsible for passing opinions relating to material transactions or operations between, on the one hand, Belfius Bank and its subsidiaries and, on the other hand, Belfius Insurance and 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 definitive decision on the planned transaction or operation.

Audited Consolidated Financial Statements of Belfius Bank²⁹

Belfius Bank's Audited Consolidated Balance Sheet

		31 December 2018	31 December 2019
	Notes		
Assets		<i>(in thousands of EUR)</i>	
Cash and balances with central banks	5.2.	8,314,303	6,715,928
Loans and advances due from credit institutions	5.3.	13,106,846	16,207,838
(a) Measured at amortised cost.....		13,106,846	16,207,838
(b) Measured at fair value through other comprehensive income		0	0
(c) Measured at fair value through profit or loss		0	0
Loans and advances	5.4.	91,122,512	94,944,479
(a) Measured at amortised cost.....		89,302,446	93,391,477
(b) Measured at fair value through other comprehensive income		0	0
(c) Measured at fair value through profit or loss		1,820,067	1,553,002
Debt securities & equity instruments	5.5.	28,568,766	29,489,565
(a) Measured at amortised cost.....		21,610,561	22,476,427
(b) Measured at fair value through other comprehensive income		5,216,152	5,257,278
(c) Measured at fair value through profit or loss		1,742,052	1,755,860
Unit linked products insurance activities		2,837,971	3,671,372
Derivatives	5.6.	12,767,585	13,304,709
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6.	4,590,806	4,881,797
Investments in equity method companies	5.7.	47,949	64,124
Tangible fixed assets	5.8.	1,065,607	1,215,355
Intangible assets	5.9.	191,497	206,384

²⁹ For a complete presentation of the Financial Statement of Belfius Bank, please see the 2019 annual report on the website:
https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_RA2019_eng.pdf

Belfius Bank's Audited Consolidated Balance Sheet

Goodwill	5.10.	103,966	103,966
Tax assets	5.11.	378,192	338,443
(a) Current tax assets		77,683	53,723
(b) Deferred tax assets		300,508	284,720
Technical insurance provisions – part of the reinsurer ..		99,902	108,074
Other assets	5.12.	950,202	1,163,606
Non current assets (disposal group) held for sale and discontinued operations.....	5.13.	19,047	23,826
Total assets		164,165,152	172,439,465

		31 December 2018	31 December 2019
	Notes		
Liabilities		<i>(in thousands of EUR)</i>	
Cash and balances from central banks	6.1.	3,962,322	4,016,777
Credit institutions borrowings and deposits	6.2.	5,866,810	5,819,363
(a) Measured at amortised cost		5,866,810	5,819,363
(b) Measured at fair value through profit or loss		0	0
Borrowings and deposits	6.3.	79,661,310	85,449,910
(a) Measured at amortised cost		79,609,747	85,397,137
(b) Measured at fair value through profit or loss		51,563	52,773
Debt securities issued and other financial liabilities	6.4.	26,686,872	27,654,505
(a) Measured at amortised cost		19,274,694	19,341,686
(b) Measured at fair value through profit or loss		7,412,178	8,312,819
Unit linked products insurance activities		2,837,971	3,671,372
Derivatives	5.6	17,740,280	18,630,116
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6	165,078	262,708
Provisions for insurance activities	6.5	13,907,770	13,180,229
Provisions and contingent liabilities	6.6	626,752	517,345
Subordinated debts	6.7	1,219,469	1,157,266
(a) Measured at amortised cost		1,219,469	1,157,266

(b) Measured at fair value through profit or loss		0	0
Tax liabilities	5.11	30,825	136,648
(a) Current tax liabilities		22,301	81,540
(b) Deferred tax liabilities		8,524	55,108
Other liabilities	6.8	1,500,070	1,437,224
Liabilities included in disposal group and discontinued operations		0	0
Total Liabilities		154,205,529	161,933,465

	Notes	31 December 2018	31 December 2019
Equity		<i>(in thousands of EUR)</i>	
Subscribed capital		3,458,066	3,458,066
Additional paid-in capital.....		209,232	209,232
Treasury shares.....		0	0
Reserves and retained earnings		4,738,565	5,013,573
Net income for the period		649,028	667,496
Shareholders' Core Equity		9,054,891	9,348,367
Fair value changes of debt instruments measured at fair value through other comprehensive income		218,588	336,856
Fair value changes of equity instruments measured at fair value through other comprehensive income		75,031	262,716
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.....		13,679	(81,709)
Remeasurement pension plans		42,170	84,319
Discretionary participation features of insurance contracts		41,850	33,212
Other reserves		212	212
Gains and losses not recognised in the statement of income		391,530	635,605
Total shareholders' equity		9,446,422	9,983,972
Additional Tier-1 instruments included in equity		497,083	497,083
Non-controlling interests		16,118	24,945

Total equity	9,959,623	10,506,000
Total liabilities and equity	164,165,152	172,439,465

Belfius Bank's Audited Consolidated Statement of Income

		31 December 2018	31 December 2019
	Notes		
		<i>(in thousands of EUR)</i>	
Interest income	7.1.	3,399,369	3,441,636
Interest expense	7.1.	(1,527,831)	(1,541,463)
Dividend income	7.2.	70,981	70,279
Net income from equity method companies	7.3.	1,745	4,918
Net income from financial instruments at fair value through profit or loss	7.4.	(10,644)	96,148
Net income on investments and liabilities	7.5.	121,704	53,190
Fee and commission income	7.6.	734,366	756,445
Fee and commission expense	7.6.	(178,710)	(176,873)
Technical result from insurance activities	7.7.	(53,890)	(19,975)
(a) Gross earned premiums		1,488,048	1,463,046
(b) Other technical income and charges		(1,541,939)	(1,483,021)
Other income	7.8.	193,666	216,569
Other expense	7.9.	(389,568)	(412,287)
Income		2,361,189	2,488,587
Staff expense	7.10.	(614,740)	(636,777)
General and administrative expense	7.11.	(496,938)	(488,519)
Network costs		(219,110)	(212,174)
Depreciation and amortisation of fixed assets	7.12.	(95,004)	(114,909)
Expenses		(1,425,792)	(1,452,379)
Gross operating income		935,397	1,036,208
Impairments on financial instruments and provisions for credit commitments	7.13.	(66,397)	(111,438)
Impairments on tangible and intangible assets	7.14.	(2,124)	(6,761)
Impairments on goodwill	7.15.	0	0
Net income before tax		866,876	918,010
Current tax (expense) income	7.16.	(145,506)	(210,116)
Deferred tax (expense) income	7.16.	(71,381)	(41,791)
Total tax (expense) income		(216,886)	(251,907)
Net income after tax		649,989	666,103
Discontinued operations (net of tax)		0	0
Net income		649,989	666,103
Attributable to non-controlling interests		962	(1,393)

		31 December 2018	31 December 2019
	Notes		
		<hr/> (in thousands of EUR) <hr/>	
Attributable to equity holders of the parent.....		649,028	667,496

SECTION 12

U.S. FOREIGN ACCOUNT TAX COMPLIANCE WITHHOLDING

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) impose a withholding tax of 30 per cent. on (i) certain U.S. source payments and (ii) payments of gross proceeds from the disposition of assets that produce U.S. source interest or dividends made to persons that fail to meet certain certification or reporting requirements. In order to avoid becoming subject to this withholding tax, non-U.S. financial institutions must enter into agreements with the IRS (“**IRS Agreements**”) (as described below) or otherwise be exempt from the requirements of FATCA. Non-U.S. financial institutions that enter into IRS Agreements or become subject to provisions of local law (“**IGA legislation**”) intended to implement an intergovernmental agreement entered into pursuant to FATCA (“**IGAs**”), may be required to identify “financial accounts” held by 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. In addition, in order (a) to obtain an exemption from FATCA withholding on payments it receives and/or (b) to comply with any applicable IGA legislation, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding is required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation made on or after (i) 1 July 2014 in respect of certain US source payments, (ii) 1 January 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce US source interest or dividends and (iii) 1 January 2017 in respect of certain “foreign passthru payments”

The application of FATCA to interest, principal or other amounts paid with respect to the Public Pandbrievien and the information reporting obligations of the Issuer and other entities in the payment chain is still developing. In particular, a number of jurisdictions have entered into, or have announced their intention to enter into, intergovernmental agreements (or similar mutual understandings) with the United States, which modify the way in which FATCA applies in their jurisdictions. The full impact of such agreements (and the laws implementing such agreements in such jurisdictions) on reporting and withholding responsibilities under FATCA is unclear. The Issuer and other entities in the payment chain may be required to report certain information on their U.S. account holders to government authorities in their respective jurisdictions or the United States in order (i) to obtain an exemption from FATCA withholding on payments they receive and/or (ii) to comply with applicable law in their jurisdiction. It is not yet certain how the United States and the jurisdictions which enter into intergovernmental agreements will address withholding on “foreign passthru

payments” (which may include payments on the Public Pandbrieven) or if such withholding will be required at all.

Belgium has entered into an IGA relating to the implementation of FATCA with the United States. Moreover, Belgium has meanwhile 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 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 Public Pandbrieven for “US accountholders” and for “Non US owned passive Non Financial Foreign entities” are held to report financial information regarding the Public Pandbrieven (income, gross proceeds) to the Belgian competent authority, who shall communicate the information to the US tax authorities.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Public Pandbrieven as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions of the Public Pandbrieven be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

The application of FATCA to Public Pandbrieven issued or materially modified on or after the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register, (or whenever issued, in the case of Public Pandbrieven treated as equity for U.S. federal tax purposes) may be addressed in the applicable final terms or a supplement to this Base Prospectus, as applicable.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE PUBLIC PANDBRIEVEN AND THE HOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF PUBLIC PANDBRIEVEN SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

SECTION 13

BELGIAN TAXATION ON THE PUBLIC PANDBRIEVEN

Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Public Pandbrieven 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 tax withholding tax treatment in respect of the Public Pandbrieven issued by the Issuer and of certain particular tax consequences for investors in respect of receiving interest or disposing of the Public 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 receiving interest in respect of or disposing of the Public Pandbrieven issued by the Issuer and is of a general nature based on the Issuer's understanding of current law and practice. 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. 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 Member State of incorporation might have an impact on the income received from the Public 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 Member State and of the Issuer's Member State 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), (b) a legal entity subject to Belgian corporate income tax (i.e. a company that has its registered office, 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 registered office, 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 Public Pandbrieven are in principle subject to the 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 Public Pandbrieven qualify as "fixed income securities" (in the meaning of Article 2, §1, 8° Belgian Income Tax Code), in case of a realisation of the Public Pandbrieven between two interest payment dates, 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 Public Pandbrieven (X/N withholding tax exemption)

Payments of interest and principal under the Dematerialised Public Pandbrieven by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Dematerialised Public 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, Clearstream Germany, SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal) and Monte Titoli (Italy) are directly or indirectly Participants for this purpose.

Holding the Dematerialised Public Pandbrieven through the Securities Settlement System enables Eligible Investors to receive the gross interest income on their Dematerialised Public Pandbrieven and to transfer the Dematerialised Public Pandbrieven on a gross basis.

Participants to the Securities Settlement System must enter the Dematerialised Public Pandbrieven which they hold on behalf of Eligible Investors in an X-Account.

Eligible Investors are those entities referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of 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*);
- (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 1° and 3° subject to the application of Article 262, 1° and 5° of the Belgian Income Tax Code 1992;
- (iii) state regulated institutions (*parastatalen/institutions parastatales*) for social security, or institutions which are assimilated therewith, provided for in Article 105, 2° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code 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 investors whose holding of the Dematerialised Public Pandbrieven is not connected to a professional activity in Belgium, referred to in Article 105, 5° 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, 2° of the Belgian Income Tax Code 1992 which have used the income generating capital 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 Belgian Income Tax Code 1992;

- (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or 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 Public 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 account ("N-account"), and, therefore, the holder of the Public 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 non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Participants to the Securities Settlement System must keep the Dematerialised Public Pandbrieven which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (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 Public 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.
- Transfers of Dematerialised Public 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 Public Pandbrieven, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no ongoing declaration requirement to the Securities Settlement System as to the eligible status.

An X-Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Dematerialised Public 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 Public 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 depositories, 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 Public 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 client and account owners are all Eligible Investors. Hence, these identification requirements do not apply to Dematerialised Public Pandbrieven held in Euroclear, Clearstream Germany, SIX SIS (Switzerland), Euroclear France SA (France), INTERBOLSA (Portugal) or Monte Titoli (Italy) 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 Public 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. The Eligible Investors will need to confirm their status as Eligible Investors in the account agreement to be concluded with Euroclear Bank (in its capacity as clearing system), Clearstream, Germany, SIX SIS (Switzerland), Monte Titoli (Italy), Euroclear France SA (France), INTERBOLSA (Portugal), any sub-participants outside of Belgium, or any other central securities depository as Participants to the Securities Settlement System.

In accordance with the Securities Settlement System, a Noteholder who is withdrawing Dematerialised Public Pandbrieven from an X-Account will, following the payment of interest on those Dematerialised Public 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 Public Pandbrieven from the last preceding Interest Payment Date until the date of withdrawal of the Dematerialised Public Pandbrieven from the Securities Settlement System. As a condition of acceptance of the Dematerialised Public 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 Public Pandbrieven

Payments of interest and principal by the Issuer under the Registered Public Pandbrieven (except Zero Coupon Pandbrieven and other Registered Public 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° and 2° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code 1992):

- (i) the Registered Public 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 Public 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, 1° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code; or (C) a state regulated institution (*parastatale/institution parastatale*) for social security, or institution which is assimilated therewith, provided for in Article 105, 2° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code; 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 has the right, subject to certain time limitations and provided conditions (i) and (iii) are 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 Public Pandbrievien 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 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.

Capital gains realised on the sale of the Public Pandbrievien are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless 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 Public Pandbrievien 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 Public Pandbrievien as a private investment.

(b) Belgian resident companies

Interest attributed or paid to corporations 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 Public Pandbrievien are taxable at the ordinary corporate income tax rate of in principle 29.58 per cent. as of assessment year 2019 linked to a taxable period starting at the earliest on 1 January 2018. Furthermore, small and medium-sized companies are taxable at the reduced corporate income tax rate of 20.4 per cent. for the first EUR 100,000 of their taxable base. As of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020, the ordinary corporate income tax rate will be 25 per cent., and the reduced corporate income tax rate 20 per cent.. Capital losses realised upon the sale of the Public Pandbrievien 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 legal entities

For Belgian legal entities subject to the Belgian legal entities tax (*rechtspersonenbelasting/impôt des personnes morales*) which have been subject to the current rate of 30 per cent. Belgian withholding tax on interest payments, such withholding tax constitutes the final taxation.

Belgian legal entities which have received interest income on (Dematerialised or Registered) Public Pandbrieven rightfully without deduction for or on account of Belgian withholding tax, are required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Public Pandbrieven are in principle tax exempt, unless 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 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 Public Pandbrieven

Noteholders who are not residents of Belgium for Belgian tax purposes and do not invest in Dematerialised Public 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 Public Pandbrieven, provided that they qualify as Eligible Investors and that they hold their Dematerialised Public Pandbrieven in an X-account. If the Dematerialised Public 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, on the gross amount of the interest.

Registered Public Pandbrieven

Noteholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Registered Public 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 Public 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 Public Pandbrieven on the secondary market through a professional intermediary. 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 Public 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 its registered office or establishment in Belgium. In such a scenario, foreign intermediaries have the possibility to appoint a Belgian tax representative that is responsible for collecting the stock exchange tax due and for paying it to the Belgian treasury on behalf of clients that fall within one of the aforementioned categories (provided that these clients

do not qualify as exempt persons for stock exchange tax purposes – see below). If no such permanent representative is appointed, the relevant parties themselves are responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due.

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).

A request for annulment has been introduced with the Constitutional Court in order to annul the extended scope of application of the tax on stock exchange transactions, as per the Law of 25 December 2016. On 8 November 2018, the Constitutional Court has requested a preliminary ruling from the Court of Justice of the European Union in this respect. On 30 January 2020, the Court of Justice of the European Union has delivered its preliminary ruling, pursuant to which the extended application of the tax on stock exchange transaction would not amount to a violation of Article 56 of the Treaty on the Functioning of the European Union or Article 36 of the Agreement on the European Economic Area, in so far as the Law of 25 December 2016 offers the issuer of the order and the non-resident professional intermediaries options, both as regards the declaration obligations connected with the tax on stock exchange transactions and its payment, which ensure that the restriction of the freedom to provide services is limited to that which is necessary to attain the legitimate objectives pursued by that legislation. It is now for the Constitutional Court to decide whether the restriction to the freedom to provide services is actually justified and whether it is in conformity with the constitutional principle of equality. If the Constitutional Court were indeed to annul said extension without upholding its effects, all taxpayers will be authorised to claim restitution of the tax already paid on this ground.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the “**Draft Directive**”) on a common financial transaction tax (FTT). Pursuant to the Draft Directive, the FTT shall be implemented and enter into effect in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovak Republic, Slovenia and Spain; the “**Participating Member States**”). In December 2015, Estonia withdrew from the Participating Member States.

The Commission’s Proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax).

The Commission’s Proposal has a very broad scope and could, if introduced, apply to certain dealings in Public Pandbrieven (including secondary market transactions) in certain circumstances. The issuance and subscription of Public Pandbrieven should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. According to the Draft Directive, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established (or deemed established) in a Participating Member State and that there is a financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person

established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT shall, however, not apply to among others 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.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, which is acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

However, the FTT proposal remains subject to negotiation between the Participating Member States, and the scope of any such tax is uncertain. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

Prospective Holders of the Public 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 Public Pandbrieven.

Exchange of information: Common Reporting Standard (“CRS”)

Following recent international developments, the exchange of information is governed by the Common Reporting Standard (“CRS”). On 24 December 2019, the total of jurisdictions that have signed the multilateral competent authority agreement (“MCAA”) amounts to 108. The MCAA is a multilateral framework agreement to automatically exchange financial and personal information, with the 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 (which includes 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.

The Public Pandbrieven are subject to CRS. Under Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“DAC2”) and the Law of 16 December 2016 (*Loi portant diverses dispositions concernant le détachement de travailleurs/Wet houdende diverse bepalingen inzake detachering van werknemers*), Belgian financial institutions holding Public Pandbrieven for tax residents in another CRS contracting state, shall report financial information regarding the Public Pandbrieven (income, gross proceeds, etc.) 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.

SECTION 14

SUBSCRIPTION AND SALE

Pursuant to the distribution agreement between the Issuer, the Dealers and the Arranger (as amended, supplemented, replaced and/or restated from time to time, the “**Distribution Agreement**”) and subject to the conditions contained therein, the Dealers have agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Public Pandbrieven. The Public Pandbrieven may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Distribution Agreement also provides for Public Pandbrieven to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission in respect of Public Pandbrieven subscribed by them. The Issuer has agreed to reimburse the Dealers for certain of their activities in connection with the Base Prospectus. The commissions in respect of an issuance of Public 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 Public Pandbrieven. The Distribution Agreement entitles the Dealers to terminate any agreement that they make to subscribe Public Pandbrieven in certain circumstances prior to payment for such Public 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 Public Pandbrieven issued under the Programme. Any such short positions could adversely affect future trading prices of Public Pandbrieven issued under the Programme. 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 Public Pandbrieven have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”) and the Public Pandbrieven may not be offered or sold 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 the Programme will be required to represent and agree, that, except as permitted by the Distribution Agreement, it has not offered or sold and will not offer or sell the Public 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 as determined, and certified to the Issuer and/or the Principal Paying Agent by the relevant Dealer, or, in the case of Public Pandbrieven issued on a syndicated basis, the relevant Lead Manager, 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 Public Pandbrieven during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Public 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 Public 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 Public 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 Public Pandbrieven outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Public 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 without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

Prohibition of sales to consumers in Belgium

The Notes 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” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

Prohibition of sales to EEA or UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the 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 Public Pandbrieven which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or the UK.

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 (“ **Insurance Distribution Directive** ”), 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 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 Public Pandbrieven to be offered so as to enable an investor to decide to purchase or subscribe the Public Pandbrieven.

Public Offer Selling Restriction Under the Prospectus Regulation

In relation to each Member State of the European Economic Area, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Public 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 Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Public Pandbrieven to the public in that Relevant Member 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), as permitted under 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 Public Pandbrieven to the public**” in relation to any Public Pandbrieven in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Public Pandbrieven to be offered so as to enable an investor to decide to purchase or subscribe the Public Pandbrieven and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

1. in relation to any Public Pandbrieven which have a maturity of less than one year from the date of issuance, (a) 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 (b) it has not offered or sold and will not offer or sell any such Public Pandbrieven other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 Public Pandbrieven would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**UK FSMA 2000**”) by the Issuer;
2. 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 Public Pandbrieven in circumstances in which section 21(1) of the UK FSMA 2000 does not apply to the Issuer; and
3. 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 Public Pandbrieven in, from or otherwise involving the United Kingdom.

Belgium

Registered Public 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 Public 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 Public 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 Public Pandbrieven for their own account or that of another qualified investor.

Switzerland

The Public Pandbrieven may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Public Pandbrieven constitutes a prospectus as such term is understood pursuant to Article 652a or Article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd., and neither this Base Prospectus nor any other offering or marketing material relating to the Public Pandbrieven may be publicly distributed or otherwise made publicly available in Switzerland.

Japan

The Public Pandbrieven have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers and the Issuer has represented and agreed that it has not, directly or indirectly offered, or sold and will not, directly or indirectly, offer or sell any Public Pandbrieven in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) 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 Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers. Any such modification will be set out in the Final Terms issued in respect of the issuance of Public 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 Public Pandbrieven, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer 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 Public Pandbrieven 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.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that Public Pandbrieven issued under the Programme will not be placed with “consumers” within the meaning of the Belgian Code of Economic Law dated 28 February 2013.

SECTION 15

GENERAL INFORMATION

1. Application has been made to Euronext Brussels for Public Pandbrieven issued 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 Public Pandbrieven. The Programme was initially authorised by a resolution of the Management Board of the Issuer passed on 1 July 2014. The update of the Programme was authorised by a resolution of the Management Board of the Issuer passed on 26 February 2020.
3. The Issuer is licensed as a Belgian credit institution
4. Save as disclosed in the section headed "Description of the Issuer" on page 131 of this Base Prospectus, there has been no material adverse change in the prospects of the Issuer on a consolidated basis since 31 December 2019. In addition, other than as disclosed in "Description of the Issuer" on page 131 (*refers to post balance sheet events/litigation*), 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. The negative economic effects of the ongoing spread of COVID-19 on Belfius cannot be adequately determined or precisely quantified for the time being as a result, the negative impact on the financial position or the financial performance of Belfius is at this stage difficult to determine.
6. Save as disclosed in the section headed "Description of the Issuer" on page 131 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 Public Pandbrieven have been accepted for clearance through the Securities Settlement System operated by the National Bank of Belgium. The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any Alternative Clearing System) for a Series of Public 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 (i.e., 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 Public Pandbrieven being issued.
10. The issue price and the amount of the relevant Public Pandbrieven will be determined before filing of the applicable Final Terms of each Tranche, based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issuances of Public Pandbrieven, except for investor reports (with regard to, among others, the composition of the Special Estate and which will be made available on the website of the Issuer at www.belfius.be on a monthly basis) and if required by any applicable laws and regulations.

11. Copies of the annual report and audited annual accounts of the Issuer for the years ended 31 December 2016 and 31 December 2017, including the reports of the statutory auditors in respect thereof, and copies of this Base Prospectus and any supplements and each Final Terms of listed tranches may be obtained. The Programme Agreement, the Agency Agreement, the Noteholders' Representative Agreement, the Distribution Agreement and the Articles of Association of the Issuer will be available, during normal business hours on any Business Day, for inspection by the Noteholders at the specified offices of the Issuer and each of the Paying Agents 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 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) and/or Euronext Brussels' website (www.euronext.com).
13. The audit of Belfius Bank's financial statements was conducted by Deloitte Reviseurs d'Entreprises SC s.f.d. SCRL, represented by Bart Dewael and Bernard De Meulemeester, Gateway building, Luchthaven Nationaal 1 J, 1930 Zaventem (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 year ended 31 December 2018 and 31 December 2019. They have rendered unqualified audit reports on the financial statements of Belfius Bank for the years ended 31 December 2018 and 31 December 2019. The mandate of Deloitte Reviseurs d'Entreprises SC s.f.d. SCRL ended after the ordinary general meeting of shareholders of Belfius Bank held on 29 April 2020. KPMG Reviseurs d'Entreprises SCRL, represented by Olivier Macq and Kenneth Vermeire, Luchthaven Brussel Nationaal 1 K, 1930 Zaventem (*members of IBR – IRE Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*) were appointed as statutory auditors of Belfius Bank by its ordinary general meeting of shareholders for a term of three years.
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.

REGISTERED OFFICE OF BELFIUS BANK SA/NV

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PRINCIPAL PAYING AGENT

Belfius Bank SA/NV
Place Charles Rogier 11
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Belgium

ARRANGER

Belfius Bank SA/NV
Place Charles Rogier 11
B-1210 Brussels
Belgium

COVER POOL MONITOR

Ernst & Young Bedrijfsrevisoren BV o.v.v. CVBA/Réviseurs d'Entreprises SC s.f.d. SCRL

NOTEHOLDERS' REPRESENTATIVE

Stichting Belfius Public Pandbrieven Noteholders' Representative
Amsterdam

NOTEHOLDERS' REPRESENTATIVE MANAGING DIRECTOR

Amsterdamsch Trustee's Kantoor B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
the Netherlands

AUDITORS

To Belfius Bank SA/NV

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B-1930 Zaventem
Belgium

KPMG Belgium
Luchthaven Brussel Nationaal 1K
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Belgium

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in respect of Belgian law

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