BELFIUS BANK SA/NV

(incorporated with limited liability in Belgium)

Euro 10,000,000,000

Euro Medium Term Note Programme
due from one month from the date of original issue

Under the Euro Medium Term Note Programme (the "**Programme**") described herein, Belfius Bank SA/NV ("**BELFIUS BANK**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes that rank as senior obligations of the Issuer (the "**Senior Notes**") and Euro Medium Term Notes that rank as subordinated obligations of the Issuer (the "**Subordinated Notes**" and together with the Senior Notes, the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed Euro 10,000,000,000 (or the equivalent in other currencies).

This document (which expression shall include this document as amended and/or supplemented from time to time and all documents incorporated by reference herein) has been prepared for the purpose of providing disclosure information with regard to the Notes. Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg law of 10 July 2005 (as amended by the Luxembourg law of 3 July 2012) relating to prospectuses for securities (the "**Luxembourg Law on Prospectuses**"), for this document's approval as a base prospectus (the "**Prospectus**") for the purposes of Article 5.4 of Directive 2003/71/EC as amended by the Directive 2010/73/EU. The CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Law on Prospectuses. The CSSF has neither reviewed nor approved the information contained in this Prospectus in relation to any issuance of any Notes that are not to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "**Market**") and for which a prospectus is not required in accordance with the Prospectus Directive. In relation to any Notes, this Prospectus must be read as a whole and together with the applicable Final Terms (as defined below). Any Notes issued under the Programme on or after the date of this Prospectus are issued subject to the provisions described or incorporated by reference herein. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme for the period of 12 months from the date of this Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Market. References in this Prospectus to Notes being "listed" (and all related references), except where the context otherwise requires, shall mean that such Notes have been listed and admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. No certainty can be given that the application will be granted. Furthermore, admission of the Notes to the official list and trading on the Market is not an indication of the merits of the Issuer or the Notes. However, unlisted Notes may be issued pursuant to the Programme. The applicable Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Market (or any other stock exchange).

The Notes issued will be in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code, and will be represented by a book-entry in the records of the clearing system operated by the National Bank of Belgium (the **NBB**") or any successor thereto (the "**X/N System**"). Notes may be eligible as ECB collateral. The Programme has been rated A- in respect of Senior Notes with a maturity of one year or more and BBB in respect of Subordinated Notes with a maturity of one year or more by Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**") and, Baa1 in respect of Senior Notes with a maturity of one year or more and B1 in respect of Subordinated Notes with a maturity of one year or more by Moody's France SAS ("**Moody's**"). Each of Moody's and Standard & Poor's is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with Regulation (EC) No.1060/2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011, as amended (the "**CRA Regulation**") published on the European Securities and Markets Authority ("**ESMA**")'s website (http://www.esma.europa.eu) (on or about 7 May 2014). Tranches of Notes (as defined in "Overview of the Programme") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Whether or not a rating in relation to any Tranche of Notes 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 Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and, unless so registered, 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 ("**Regulation S**") except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable U.S. state securities laws.

This Prospectus shall be valid for a period of one year from its date of approval.

The issue price and amount of the relevant Notes will be determined at the time of the offering of each Tranche based on the then prevailing market conditions.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in the Prospectus. This Prospectus does not describe all of the risks of an investment in the Notes.

Arranger
UBS Investment Bank
Dealers

Banco Bilbao Vizcaya Argentaria, S.A.	**Barclays**
BELFIUS BANK	**BofA Merrill Lynch**
Citigroup	**Commerzbank**
Crédit Agricole CIB	**Credit Suisse**
Deutsche Bank	**HSBC**
J.P. Morgan	**Morgan Stanley**
NATIXIS	**Nomura**
Société Générale Corporate & Investment Banking	**The Royal Bank of Scotland**
UBS Investment Bank	**UniCredit Bank**

Base prospectus dated 7 May 2014

Responsibility Statement

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

General

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by the final terms ("**Final Terms**") in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for BELFIUS BANK or any Dealer (as defined in "Overview of the Programme" below) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither BELFIUS BANK nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for BELFIUS BANK or any Dealer to publish or supplement a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference"). This Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Notes should be read and construed together with the applicable Final Terms.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by BELFIUS BANK or any of the Dealers or the Arranger (as defined in "Overview of the Programme"). Neither the delivery of this 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 BELFIUS BANK since the date hereof or the date upon which this 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 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.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by BELFIUS BANK, the

Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of BELFIUS BANK, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with BELFIUS BANK or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim 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 Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of BELFIUS BANK, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of BELFIUS BANK during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in the section "Overview of the Programme − Method of Issue") of Notes, 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 Notes or effect transactions with a view to supporting the market price of Notes 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 days after the issue date of the relevant Tranche and 60 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.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "**U.S.$**" are to the lawful currency of the United States, to "**euro**", "**EUR**" and "**€**" are to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Union, as amended, and to "**£**" are to Sterling, the lawful currency of the United Kingdom.

TABLE OF CONTENTS

RISK FACTORS

An investment in the Notes involves a degree of risk. Prospective investors should carefully consider the risks set forth below and the other information contained in this Prospectus (including information incorporated by reference) before making any investment decision in respect of the Notes. The risks described below are risks which the Issuer believes may have a material adverse effect on the Issuer's financial condition and the results of its operations, the value of the Notes or the Issuer's ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of all or any of such contingencies occurring. 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, results of operations, financial condition or future prospectus or may result in other events that could cause investors to lose all or part of their investment.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which are not known to the Issuer or which the Issuer deems immaterial at this time. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.

Factors that may affect BELFIUS BANK’s ability to fulfil its obligations under the Notes.

Like other banks, BELFIUS BANK faces financial risk in the conduct of its business, such as credit risk, operational risk and market risk (including liquidity risk).

Risks related to the business of banks in general, including BELFIUS BANK

1. Credit risk

General credit risks are inherent in a wide range of BELFIUS BANK’s businesses. These include risks arising from changes in the credit quality of its borrowers and counterparties and the inability to recover loans and any amounts due. BELFIUS BANK is subject to the credit risk that third parties such as trading counterparties, counterparties under swaps and credit and other derivative contracts, borrowers of loans made available by BELFIUS BANK, the 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 or perform under their obligations. Bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons may cause them to default on their obligations towards BELFIUS BANK.

Being a universal commercial credit institution, BELFIUS BANK is financing clients from the public and social sector and corporates through its Public and Wholesale Banking business unit as well as households, self-employed persons and small businesses through its Retail and Commercial Banking business unit.

Risk management at BELFIUS BANK is responsible for, *inter alia,* setting and managing the risk surveillance function and decision processes and implementing risk assessment methods for each of BELFIUS BANK’s activities and operational entities.

The cornerstone of this risk governance now relies on a coherent set of risk committees at the level of BELFIUS BANK, the role and remit of which are defined in line with its commercial and financial objectives and with respect for the external environmental factors in relation to regulation and control.

The risk management framework was completed in part by the Risk Charter, which defines the core values and principles of risk management at BELFIUS BANK and in part by the limits book, which, in an integrated document, provides an overview of the limits of strategic and operational risks. Accompanied by the already approved risk appetite framework and various risk committees, this constituted the framework within which the risk management function was performed in 2013.

The cornerstone of this risk governance at BELFIUS BANK consists of a coherent series of risk committees, the role and competencies of which are defined in accordance with BELFIUS BANK's commercial and financial objectives and external environmental factors regarding regulation and control.

Credit risk measurements rely principally on internal rating systems put in place by BELFIUS BANK under Basel II. The risk approach of BELFIUS BANK is based on its decision to apply the IRBA II Advanced method. This choice has been acknowledged by the regulators. Each counterparty is rated by analysts in charge of credit risk or by dedicated scoring systems. This rating corresponds to a valuation of the counterparty's level of default risk, expressed on an internal rating scale, and is a key element in the loan granting process by the credit committee or by automated granting systems. Ratings are reviewed at least annually according to regulatory constraints, and this allows a proactive identification of counterparties requiring regular monitoring by the "watchlist" committee.

In order to control the general credit risk profile and to limit risk concentrations, credit risk limits are defined for each counterparty, fixing the maximum exposure to credit risk deemed acceptable for a given counterparty. Limits may also be imposed per economic sector and per product. The risk management department proactively monitors these limits, in relation to the evolution of the perception of risks run by BELFIUS BANK. In order to take more recent events into consideration, specific limits may be frozen at any time by the risk management department.

Retail and Commercial Banking – The rather unfavourable macroeconomic climate of 2012 continued into 2013. Nevertheless, BELFIUS BANK continued to support its activity of providing credits to Retail and Commercial Banking customers, in line with a credit policy that remained stable overall.

Demand for consumer credits increased slightly in 2013, after reaching a historically low level in the previous year. Acceptance percentages remained stable compared to 2012 and are still based on a "Responsible Lending" charter concluded within the framework of the financial sector federation, Febelfin.

Demand for mortgage loans fell in 2013, particularly by virtue of the uncertainty concerning the housing bonus (interest tax deduction). BELFIUS BANK continues to monitor its mortgage loan portfolio very closely, taking account of any possible changes to the real estate market and a possible weakening of borrower solvency. The potential risk segments of the mortgage loan portfolio have been identified and are monitored closely. Their significance in the BELFIUS BANK portfolio is limited in the context of the portfolio as a whole. Some points relating to the granting policy and the assessment of guarantees have been adjusted in a conservative way for the customer segments concerned. Despite these remarks at a market level, the cost of risk on mortgage loans remains very low. From the perspective of increased vigilance, in 2013, BELFIUS BANK established an additional impairment on this portfolio. Upon the request of the regulator, BELFIUS BANK, like all Belgian banks, also increased its regulatory capital for mortgage loans.

Securitisation operations and the issue of covered bonds also led to an extension and refinement of the monitoring of risk on the mortgage loan portfolio.

BELFIUS BANK's strategy for business loans continued in 2013 by delegating decision-making powers to credit teams, involving commercial teams in the granting process and increasing the control of the risk management committees over the exercise of those delegations and decisions.

Public and Wholesale Banking – Through its public and wholesale banking business, BELFIUS BANK continued to play a role in financing the Belgian economy and the country's various enterprises throughout 2013.

As a locally-anchored relationship bank, BELFIUS BANK tries as much as it can to meet the funding needs of its public and social banking customers. Since July 2013, this has been set against a backdrop of new regulations on public markets.

Various institutions within the public and social banking sector have been facing stagnation, or even a fall of income, as a result of the global economic climate. Despite these negative environmental factors, BELFIUS BANK's credit portfolio in this sector retains a very low risk profile.

Against a background of modest economic growth and an increasing number of bankruptcies, the risk profile of the corporate banking credit portfolio also remained stable and, therefore, the cost of risk is kept at a very low level and broadly within set limits.

BELFIUS BANK continued to monitor the sustainable energy sector very closely. The weakening of the financial position of installation companies, contractors and integrated companies in the renewable energy sector observed in 2012, continued in 2013.

With regard to the shipping sector, the strategy defined in 2012 was continued. BELFIUS BANK continues only to deal with companies that are directly or indirectly active in the shipping sector, maintaining a global commercial relationship with the bank and a clear link to the Belgian economy. For companies in the shipping sector which have no global commercial relationship with BELFIUS BANK, the run-off strategy has been continued.

Insurance - Belfius Insurance SA ("**Belfius Insurance**") controls the credit risk arising from investments of its reserves in collaboration with the credit risk management teams at BELFIUS BANK. An operational system of risk management and limits have been defined within the Belfius Insurance investment framework.

A significant part of the Belfius Insurance investment portfolio is invested in Belgium. The risk reduction policy followed by Belfius Insurance was purposefully continued and had the effect of reducing exposure to certain counterparties, such as those countries in Central and Eastern Europe, Italy, Spain, Portugal and Ireland. Against that background, Belfius Insurance also maintained its level of mortgage loan activity on the Belgian market in 2013.

Investment portfolio - BELFIUS BANK has a significant investment portfolio of bonds. This portfolio is made up of three components:

- the historical investment portfolio, what is known as the "**Legacy**" portfolio, a bond portfolio in run-off inherited from the former Dexia period;
- BELFIUS BANK's asset and liability management ("**ALM**") portfolio in the context of BELFIUS BANK's liquidity management;
- Belfius Insurance's ALM portfolio, mainly as a part of managing Belfius Insurance's technical reserves.

At the end of December 2013, the total investment portfolio was EUR 31.7 billion[1], of which EUR 12.4 billion for the Legacy portfolio, EUR 7.2 billion for BELFIUS BANK's ALM portfolio and EUR 12.1 billion for Belfius Insurance's ALM portfolio. Compared to the end of December 2012, the portfolio total fell by EUR 4.5 billion, or 12.5%. Since the end of 2011, the total investment portfolio fell by almost a quarter (23.2%) as a result of tactical de-risking and the natural amortization of the portfolio.

As at 31 December 2013, the bond portfolio has an average term of 11.3 years and is of credit quality regarded by BELFIUS BANK as good credit quality: 96% of the portfolio is investment grade.

At the end of December 2013, the positions of the total investment portfolio were mostly concentrated in the European Union.

The intensive tactical de-risking of the last two years gave rise to a reduction of the Legacy portfolio as at 31 December 2013 by almost one third (-32%), the strongest falls being recorded by the government local public sector bond segments (-42%), asset-backed securities (-50%) and financial institutions (-58%). Exposure to covered bonds and project and public utilities finance remained stable.

Outstanding government bonds – At the end of 2013, the total outstanding government bonds, expressed in MCRE (Maximum Credit Risk Exposure), amounted to EUR 14.0 billion, against EUR 15 billion at the end of 2012. Despite a slight fall compared to last year (EUR -0.7 billion), 58% remains invested in Belgian government bonds. The relative proportion of Italian government bonds also remained stable at 33%. The relative combined proportion of Greek, Irish, Spanish and Portuguese government bonds, which was 13% in 2011, was not more than 1% at the end of 2013.

Credit risk with regard to the Dexia Group – In October 2011, after BELFIUS BANK was taken over by the Belgian federal government through the Federal Holding and Investment Company ("**FHIC**"), a transition committee was set up with representatives from BELFIUS BANK, Dexia SA ("**Dexia**") and FHIC, aimed at achieving a smooth unwinding of all links between BELFIUS BANK and Dexia and its consolidated subsidiaries (the "**Dexia Group**"). Reducing the funding that BELFIUS BANK had been granting to the Dexia Group was one of the key areas of focus for the committee, given that at that time this funding amounted to EUR 56 billion, of which EUR 22.5 billion was unsecured.

On 31 December 2012, unsecured funding had been practically reduced to zero and the total (secured) funding to Dexia was EUR 21.9 billion, made up of EUR 13.9 billion of bonds issued by Dexia Crédit Local with the guarantee from the Belgian, French and Luxembourg governments, EUR 1.0 billion of covered bonds issued by Dexia Municipal Agency, EUR 0.3 billion of covered bonds issued by Dexia LDG Banque and EUR 6.7 billion of multi-party repos.

At the end of January 2013, Dexia finalised the sale of Dexia Municipal Agency. That sale enabled Dexia to generate revenue, which was used to repay the remaining debts to BELFIUS BANK. The secured funding had continued to fall by the end of March 2013 to EUR 15.4 billion, of which EUR 13.8 billion in government-guaranteed bonds, EUR 0.3 billion in covered bonds issued by Dexia Municipal Agency and EUR 1.3 billion of multi-party repos.

Over the year, the multi-party repos were further reduced by the non-renewal of existing contracts, BELFIUS BANK no longer acting as intermediary between external repo counterparty and various Dexia entities. In addition, EUR 0.3 billion of covered bonds from Dexia LDG Banque were sold in December 2013.

As a result, Dexia funding amounted to EUR 13.5 billion as at 31 December 2013, including EUR 13.4 billion of state-guaranteed bonds reaching maturity at the end of 2014 and the beginning of 2015, as

[1] Notional amounts.

well as some more modest residual positions, such as bonds from Dexia Crédit Local reaching maturity during 2014.

2. Market risk

The businesses and earnings of BELFIUS BANK and of its individual business segments are affected by market conditions. Market risks are all the risks linked to the fluctuations of market prices, including, principally, exposure to loss arising from adverse movements in interest rates, and, to a lesser extent, foreign exchange rates and equity prices, stemming from BELFIUS BANK's activities. Due to the nature of its activity, BELFIUS BANK is prevented from assuming significant exposure to market risk. Market risks generated by the capital markets activities stems mainly from short-term cash management and a portfolio of derivative products with customers that is managed on a market value basis. Market risks generated by the commercial businesses are generally hedged and residual risks are handled by the asset and liability management function.

3. Operational risk

BELFIUS BANK defines "operational risk" as the risk of financial or non-financial impact resulting from inadequate or failed internal processes, people and systems, or from external events. The definition includes legal, reputational and strategic risk but excludes expenses from commercial decisions.

The framework on the management of operational risk at BELFIUS BANK is in place and is based on the principles mentioned in the "principles for the sound management of operational risk" (Bank for International Settlements, June 2011).

The governance structure is based on a first line responsibility by the business management and a second line responsibility by the operational risk management department, who defines the methodological principles. There is a clear separation of duties between both lines.

The operational risk management includes the collection of operational events (loss data), the organisation of yearly risk and control self-assessments, as well as the performance of scenario analysis, the collection of insurance claims and the yearly review of the insurance policies, advice on operational risk topics, co-ordination of the fraud management at BELFIUS BANK, the development and testing of business continuity plans and performance of business impact analysis, a crisis management programme, the management of information risk. All activities of BELFIUS BANK are covered by the current framework.

Although BELFIUS BANK has implemented risk controls and loss mitigation actions, and has resources devoted to developing efficient procedures and staff awareness, 100 per cent. coverage of operational risks can never be attained, due to the very nature of these risks.

4. Liquidity risk

<u>Liquidity management framework</u> - The Liquidity and Capital Management ("**LCM**") is part of the finance department at BELFIUS BANK. The LCM is the front-line manager for the liquidity and capital requirements of BELFIUS BANK. This means that it identifies, analyses and reports on current and future liquidity positions and risk, and then defines and coordinates the action needed to keep them in the right direction. Hence the ultimate responsibility for managing liquidity comes under the responsibility of the Chief Financial Officer ("**CFO**"). The CFO also bears final responsibility for managing the interest rate risk contained in the balance sheet via the ALM department and the Asset and Liability Committee, meaning that total balance sheet management comes under its responsibility.

LCM holds committee meetings each week attended by the CFO, risk management, the Treasury department and the retail and commercial banking and public and wholesale banking business lines.

This committee implements the decisions taken by LCM in relation to obtaining short-term and long-term funding on the institutional market and in the commercial franchise.

LCM also monitors the funding plan to guarantee in the years ahead that BELFIUS BANK will still comply with its internal and regulatory liquidity ratios.

LCM reports on a daily and weekly basis to the Management Board about BELFIUS BANK's liquidity situation.

Second-line controls for monitoring the liquidity risk are performed by the risk management department, which ensures that the reports published are accurate and oversees compliance with limits, as laid down in the liquidity guidelines.

<u>Exposure to liquidity risk</u> - the liquidity risk at BELFIUS BANK is affected mainly by:

- the amounts of commercial funding collected from retail and private clients, small, medium-sized and large public companies and similar clients and the way these funds are allocated to clients through commercial loans;
- the volatility of the collateral that is frozen with counterparties as part of the framework of derivative 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 or from the ECB;
- the capacity to obtain interbank and institutional funding.

<u>Consolidation of the liquidity profile</u> – 2013 was a year for consolidation of the liquidity profile of BELFIUS BANK. The NBB's regulatory ratio at one month is broadly respected and BELFIUS BANK continued to improve and diversify its liquidity profile by:

- stabilising its funding surplus within the commercial balance sheet;
- reducing the funding granted to the Dexia Group;
- obtaining long-term funding with the issue of covered bonds backed by quality mortgage loans, known as the Belfius Belgian Mortgage Pandbrieven;
- downsizing the Legacy bond portfolios; and
- collecting medium-term deposits from institutional customers.

In addition, BELFIUS BANK reduced its dependency on the European Central Bank, with outstanding longer-term refinancing operation funding falling from EUR 25 billion at the end of 2012 to EUR 13.5 billion at the end of 2013.

The rules for calculating the Liquidity Coverage Ratio ("LCR") introduced within the framework of the Basel III reforms will be finalised in the "Delegated Act" of the European Commission expected in June 2014. The NBB has already made it known that it will require an LCR ratio of 100% from 1 January 2015.

In managing its liquidity, BELFIUS BANK makes an estimate of this ratio on the basis of available publications (including the CRR and CRD IV, each as defined in Paragraph 8 "*Effective capital management and capital adequacy and liquidity requirements*" below). It takes account of this in its funding plan, which integrates the strategy for growth and diversification of wholesale funding sources.

5. Competition

BELFIUS BANK faces strong competition across all its markets from local and international financial institutions including banks, building societies, life insurance companies and mutual insurance organisations. 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 consumer demand, technological changes and regulatory actions.

6. Increased and changing regulation – general

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 developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in France, the United Kingdom, the United States, Belgium, Luxembourg and elsewhere have already provided additional capital and funding requirements and have already introduced or may, in the future, be introducing a significantly more restrictive regulatory environment, including new accounting and capital adequacy rules, restrictions on termination payments for key personnel and new regulation of derivative instruments. Current regulation, together with future regulatory developments, could have an adverse effect on how BELFIUS BANK conducts its business and on the results of its operations.

BELFIUS BANK is 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.

The recent global economic downturn has resulted in significant changes to regulatory regimes. There have been significant regulatory developments in response to the global crisis, including the stress test exercise co-ordinated by the Committee of European Banking Supervisors, in co-operation with the ECB, liquidity risk assessments and the adoption of new capital regulatory requirements under Basel III. BELFIUS BANK works closely with its regulators, and continually monitors regulatory developments and plans the contemplated changes, but as the final details of the implementation are not fully determined yet, it is still highly uncertain what actions will be required from BELFIUS BANK in order to fully comply with the new rules.

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.

7. Increased and changing regulation –new Belgian banking law

The elements set out in paragraph 6 (*Increased and changing regulation – general*) above, apply in particular, but not solely, as a consequence of the new Belgian banking law, which was adopted by the Belgian parliament on 25 April 2014 (*Wet op het statuut van en het toezicht op kredietinstellingen / Loi relative au statut et au contrôle des établissements de crédit*) (the "**Belgian Banking Law**"). The Belgian Banking Law entered, subject to certain exceptions (including in respect of its resolution regime), into force on the date of this Prospectus. It has not yet been possible for BELFIUS BANK to fully assess the cost of compliance as well as the impact on its business. Any assessment of such impact is therefore preliminary only.

The Belgian Banking Law is based on the existing regulatory framework and intends to transpose into Belgian law (i) the CRD, as defined and explained in paragraph 8 (*Effective capital management and capital adequacy and liquidity requirements*) below, and (ii) the BRRD, as defined and explained in paragraph 9 (*European Resolution Regime*) below, other than insofar as it relates to the bail-in regime (which was deemed not sufficiently settled at the time of preparation of the text of the Belgian Banking Law).

The Belgian Banking Law will have an impact that goes beyond the mere transposition of the aforementioned CRD and BRRD. This is, in particular, but not solely, due to (i) the increased regulatory attention to, and regulation of, corporate governance (including executive compensation), (ii) the need for strategic decisions to be pre-approved by the regulator, and (iii) the prohibition (subject to limited exceptions) of proprietary trading. In respect of the last point, BELFIUS BANK does not expect such prohibition to have a material impact on its business as it is currently being conducted.

In addition to the general caveat that the Belgian Banking Law only entered into force at the date of this Prospectus, and that it was not possible to consider the potential impact thereof fully prior to the date of this Prospectus, it should be noted that (i) certain elements of the Belgian Banking Law require further detailed measures to be taken by other authorities, in particular the National Bank of Belgium, (ii) certain elements of the Belgian Banking Law will be influenced by further regulations (including through technical standards) taken or to be taken at European level, and (iii) the application of the Belgian Banking Law may be influenced by the assumption of the European Central Bank of certain supervisory responsibilities currently handled by the National Bank of Belgium beginning in November 2014 and, in general, by the allocation of responsibilities between the European Central Bank and the National Bank of Belgium.

Finally, it should be noted that certain of the European initiatives (in particular the prohibition on proprietary trading) to be transposed into Belgian law pursuant to the Belgian Banking Law are still in draft form, or subject to political discussion, at the European level. Whilst the Belgian Banking Law contains powers to allow the government to conform the Belgian Banking Law to developments at a European level in certain areas through a royal decree, it cannot be ruled out that there will be differences between the regulatory regime promulgated by the relevant European directives and the regulatory regime of the Belgian Banking Law.

8. Effective capital management and capital adequacy and liquidity requirements

Effective management of BELFIUS BANK's capital is critical to its ability to operate its businesses, to grow organically and to pursue its strategy of returning to standalone strength. BELFIUS BANK is required by regulators in Belgium and other jurisdictions in which it undertakes regulated activities to maintain adequate capital resources. The maintenance of adequate capital is also necessary for BELFIUS BANK's financial flexibility in the face of continuing turbulence and uncertainty in the global economy. Accordingly, the purpose of the issuance of the Subordinated Notes issued under the Programme is, amongst others, to allow BELFIUS BANK to strengthen its capital position.

In December 2010, the Basel Committee on Banking Supervision (the "**Basel Committee**") reached agreement on comprehensive changes to the capital adequacy framework, known as Basel III. A revised version of Basel III was published in June 2011. Basel III is intended to raise the resilience of the banking sector by increasing both the quality and quantity of the regulatory capital base and enhancing the risk coverage of the capital framework. Among other things, Basel III introduces new eligibility criteria for Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments that are intended to raise the quality of regulatory capital, and increases the amount of regulatory capital that institutions are required to hold. Basel III also requires institutions to maintain a capital conservation buffer above the minimum capital ratios which, if not maintained, will result in certain capital distribution constraints being imposed on BELFIUS BANK. The capital conservation buffer, to be comprised of Common Equity Tier 1 capital, would result in an effective Common Equity Tier 1 capital requirement of 7 per cent. of risk-weighted assets. In addition, Basel III directs national regulators to require certain institutions to maintain a counter-cyclical capital buffer during periods of excessive credit growth. Basel III introduces a leverage ratio for institutions as a backstop measure, to be applied from 2018 alongside current risk-based regulatory capital requirements. The changes in Basel III are intended to be phased in gradually between January 2013 and January 2022. The implementation of Basel III in the European Union is being performed through the CRD IV (as defined below)

CRD IV consists of the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions on prudential requirements for credit institutions and investment firms ("**CRD**") and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("**CRR**" and together with CRD, "**CRD IV**"). These texts were published in the Official Journal of the European Union on 27 June 2013 and are applicable from 1 January 2014. These recently adopted rules and regulations impose a series of new requirements, many of which will be phased in over a number of years. Certain portions of CRD require transposition into Belgian law (which is effected by the Belgian Banking Law), and although CRR will be directly applicable in each Member State, CRR leaves a number of important interpretational issues to be resolved through binding technical standards that will be adopted in the future, and leaves certain other matters to the discretion of national regulators. In addition, CRD IV contemplates that the European Central Bank will assume certain supervisory responsibilities currently handled by the National Bank of Belgium beginning in November 2014. The European Central Bank may interpret CRD IV, or exercise discretion accorded to the regulator under CRD IV (including options with respect to the treatment of assets of other affiliates) in a different manner than the National Bank of Belgium. To the extent that BELFIUS BANK has estimated the indicative impact that CRD IV may have on its weighted risks and capital ratios, such estimates are preliminary and subject to uncertainties, and may change.

The Basel III and CRD IV changes and other future changes to capital adequacy and liquidity requirements in Belgium and in other jurisdictions, including any application of increasingly stringent stress case scenarios by the regulators, may require BELFIUS BANK to raise additional Tier 1 (including Common Equity Tier 1) and Tier 2 capital by way of further issuances of securities, and may result in existing Tier 1 and Tier 2 securities issued by BELFIUS BANK ceasing to count towards BELFIUS BANK's regulatory capital, either at the same level as present or at all. The requirement to raise additional Common Equity Tier 1 capital could have a number of negative consequences for BELFIUS BANK and its shareholders, including impairing BELFIUS BANK's ability to pay dividends. If BELFIUS BANK is unable to raise the requisite Tier 1 and Tier 2 capital, it may be required to further reduce the amount of its weighted risks.

As at 1 January 2014, BELFIUS BANK's consolidated Common Equity Core Tier 1 capital ratio under Basel III “phased-in” (pro forma, unaudited) was estimated at 13.5%. Any change that limits BELFIUS BANK’s ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of impairments and increases in weighted risks) or to access funding sources could have a material adverse impact on its financial condition and regulatory capital position or result in a loss of value in the Notes.

9. European Resolution Regime

On 18 December 2013, the Council of the European Union published a revised draft of a directive providing for the establishment of a European wide framework for the recovery and resolution of credit institutions and investment firms which was subsequently approved by the European Parliament on 15 April 2014 (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The stated aim of the BRRD is to provide supervisory authorities, including the NBB or other regulatory entity to which the Issuer is subject ("**Relevant Regulator**") with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The powers proposed to be granted to supervisory authorities under the BRRD include (but are not limited to) the introduction of a statutory "write-down and conversion power" and a "bail-in" power, which would give the Relevant Regulator the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution and/or to convert certain debt claims (which could be the Notes) into another security, including ordinary shares of the surviving entity, if any. It is expected that the BRRD will confer powers on the Relevant Regulator to require Additional Tier 1 and Tier 2 capital instruments to be written down in part or in full and/or converted into common equity Tier 1 instruments at the point of non-viability and before any other resolution action is taken. The point of non-viability for such purposes is the point at which the Relevant Regulator determines that the institution meets the conditions for resolution or the point at which the Relevant Regulator decides that the institution ceases to be viable, if those capital instruments are not written down.

Moreover, the BRRD provides that Relevant Regulator will apply the BRRD "bail-in" power in accordance with a specified preference order. In particular, the BRRD requires the Relevant Regulator to write down or convert Tier 2 capital instruments before applying the "bail-in" power to subordinated debt that does not qualify as an Additional Tier 1 or Tier 2 capital instrument (and only if the reduction (in terms of preference order) of Additional Tier 1 and Tier 2 capital instruments does not sufficiently reduce the aggregate amount of liabilities that must be written down or converted). As a result, Notes which qualify as Tier 2 capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as Additional Tier 1 or Tier 2 capital instrument is not fully or partially written down or converted. This could effectively subordinate such Notes to the Issuer's other subordinated indebtedness that does not qualify as Additional Tier 1 or Tier 2 capital of the Issuer, which would differ from the outcome in the event of the Issuer's winding up.

The BRRD contemplates that the majority of measures (including the write-down and conversion powers relating to Tier 1 capital instruments and Tier 2 capital instruments) set out in the BRRD will be implemented with effect from 1 January 2015, with the bail-in power for other eligible liabilities expected to be introduced according to a recent political agreement between the European Parliament and Presidency negotiators, by 1 January 2016. However, although the BRRD has been approved by the European Parliament, it is not in final form, and changes may still be made to it in the course of the legislative process. Accordingly, it is not yet possible to assess the full impact of the relevant loss absorption provisions and it is still possible that anticipated implementation dates could change.

It should be noted in this respect that the Belgian Banking Law transposes the BRRD (other than the bail-in powers) into Belgian law and that, consequently, the regime will be applicable in Belgium prior to it being applicable elsewhere. The entry into force of the regime contemplated by the BRRD in Belgium (including in respect of the resolution of credit institutions (excluding the bail-in possibility)) occurred at the date of this Prospectus save for the resolution regime, where a specific royal decree needs to be published. Although the expectation is that this will occur shortly, the Issuer is not aware of the envisaged date hereof. Note that the bail-in regime will only be transposed in Belgian law at a later date, and it is the expectation that this will occur on the basis of specific royal decrees taken on the basis of the authorisation in this respect in the Belgian Banking Law.

The Belgian Banking Law contains powers to allow the government to conform the Belgian Banking Law to developments at a European level in certain areas, through a royal decree. It may also need to be amended depending on any further changes at the European level.

As well as a "write-down and conversion power" and a "bail-in" power, the resolution powers currently proposed to be granted to the Relevant Regulator under the BRRD include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for the purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to a bridge institution or one or more asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down. In addition, the BRRD proposes, among the broader powers proposed to be granted to the Relevant Regulator, to provide powers to the Relevant Regulator to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinue the listing and admission to trading of debt instruments.

The BRRD contains safeguards for shareholders and creditors in respect of the application of the "write down and conversion" and "bail-in" powers which aim to ensure that they do not incur greater losses than they would have incurred had the relevant financial institution been wound up under normal insolvency proceedings.

There remains significant uncertainty regarding the ultimate nature and scope of these powers and, if ever implemented, how they would affect the Issuer and its securities (including the Notes). Accordingly, it is not yet possible to assess the full impact of the BRRD or the Belgian Banking Law on the Issuer and on holders of its securities (including the Notes), and there can be no assurance that, once it is implemented, the manner in which it is implemented or the taking of any actions by the Relevant Regulator currently contemplated in the BRRD would not adversely affect the rights of holders of the Notes, the price or value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes.

Article 518 of the CRR states that if the BRRD is not adopted by 31 December 2015, the European Commission should review and report whether the CRR should be amended so as to include write-down and conversion powers to ensure that relevant capital instruments fully absorb losses at the point of non-viability of the issuing institution and before any other resolution action is taken. There is a risk that such an amendment would result in capital instruments issued by the Issuer (including any Tier 1 capital instruments and Tier 2 capital instruments) being used to absorb losses on the occurrence of a non-viability event.

The exercise of any such power or any suggestion of such exercise could, therefore, materially adversely affect the value of any securities (including the Notes) subject to the BRRD (including, retrospectively, if and to the extent the BRRD is implemented retrospectively so as to apply to any such securities) and could lead to the holders of securities (including the Notes) issued by the Issuer losing some or all of their investment in such securities. Moreover, trading behaviour, including prices and volatility, may be affected by the threat of the bail-in option and, as a result, the Notes are not necessarily expected to follow the trading behaviour associated with other types of securities.

10. Belgian bank recovery and resolution regimes

The Belgian Banking Law entered into force on the date of this Prospectus. The resolution regime of the Belgian Banking Law (based on the draft of the BRRD published on 18 December 2013, but excluding the bail-in regime) will enter into force when a specific royal decree is published in relation thereto. The regime set out in the previous Belgian banking law, the Belgian law of 22 March 1993 is no longer applicable as from the date of this Prospectus. The bail-in regime of the BRRD will be transposed into Belgian law at a later date.

Under the new regime, the Relevant Regulator is able to take a number of measures in respect of any credit institution it supervises if deficiencies in such credit institution's operations are not remedied. Such measures include: the appointment of a special commissioner whose consent is required for all or some of the decisions taken by all the institution's corporate bodies; the imposition of additional requirements in terms of solvency, liquidity, risk concentration and the imposition of other limitations; requesting limitations on variable remuneration; the complete or partial suspension or prohibition of the institution's activities; the requirement to transfer all or part of the institution's participations in other companies; replacing the institution's directors or managers; and revocation of the institution's licence, the right to impose the reservation of distributable profits, or the suspension of dividend distributions or interest payments to holders of Additional Tier 1 capital instruments.

In addition, the Relevant Regulator will need to pre-approve any strategic decision of any Belgian financial institution subject to the Belgian Banking Law (including the Issuer, and regardless of it being systemically important or not). For these purposes, strategic decisions include decisions having significance relating to each investment, disinvestment, participation or strategic cooperation agreement of the financial institution, including decisions regarding the acquisition of another institution, the establishment of another institution, the incorporation of a joint venture, the establishment in another country, the conclusion of cooperation agreement, the contribution of or the acquisition of a branch of activities, a merger or a demerger. The Relevant Regulator will have the benefit of extensive discretionary power in this area.

In addition, the Relevant Regulator can impose specific measures on a important financial institutions (including the Issuer, and whether systemic or not), including specific additional requirements regarding solvency, liquidity, risk concentration and risk positions, when the Relevant Regulator is of the opinion that (a) such financial institution has an unsuitable risk profile or (b) the policy of the financial institution can have a negative impact on the stability of the financial system.

The Belgian Banking Law will allow, when the provisions relating to resolution will have entered into force, that emergency measures may be imposed by the Relevant Regulator (in which respect please see paragraph 9 (*European Resolution Regime*) above). Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by the Relevant Regulator, the relevant counterparties of such credit institution would not be entitled to invoke events of default or set off their claims against the credit institution. The Belgian Banking Law, when the relevant provisions will have entered into force, confirms that the new law will not affect the financial collateral arrangements (including close-out netting and repo-transactions) subject to the Belgian law of 14 December 2005 on financial collateral (transposing Directive 2002/47/EC in Belgian law), although the mere fact that a recovery or resolution measure is taken by the Relevant Regulator may not cause an event of default, give rise to any close-out or enforcement of security to the extent that the essential provisions of the agreement remain respected. Note that the protection of financial collateral arrangements provided for by the Belgian Banking Law (when these provisions will have entered into force) will be slightly broader than the regime set out in the BRRD (with the latter containing certain exceptions to the protection of such arrangements to the extent deposits that may be repayable by a deposit guarantee scheme are part of such arrangements) and that, as a consequence the Belgian Banking Law may need to be amended to provide for the same exceptions.

As indicated above, under the Belgian Banking Law, the powers of the Relevant Regulator are significantly expanded. Implementation by the Relevant Regulator of any of its powers of intervention could have an adverse effect on the interests of the holders of the Notes.

11. Impact of bail-in powers on listings

To the extent a bail-in power is exercised pursuant to the BRRD or otherwise, the Issuer does not expect any securities issued upon conversion of the Notes to meet the listing requirements of any securities exchange, and the Issuer expects outstanding listed securities to be delisted from the securities exchanges on which they are listed. Any securities Noteholders receive upon conversion of the Notes likely will not be listed for at least an extended period of time, if at all, or may be on the verge of being delisted by the relevant securities exchange, including, for example, the ordinary shares of the Issuer or the Notes listed on a relevant stock exchange or otherwise. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the Issuer of any securities issued upon conversion of the Notes, or the disclosure may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the bail-in power. As a result, there may not be an active market for any securities Noteholders may hold after the exercise of the "bail-in" power.

12. Risks linked to derivative transactions

BELFIUS BANK often acts as a party to derivative transactions, including credit derivatives. Individually negotiated and non-standardised derivative instruments can make it difficult to transfer or settle the position. Many credit derivatives require delivery to the counterparty of the underlying security, loan or other obligation in order to receive payment. However, BELFIUS BANK may not hold, and may not be able to obtain, the underlying security, loan or other obligation. This may lead to BELFIUS BANK forfeiting the payments due under these contracts or result in settlement delays with the attendant credit and operational risk, as well as increased costs.

Counterparties do not always confirm derivative contracts and other transactions entered into with third parties on a timely basis. BELFIUS BANK is subject to an increased credit and operational risk while transactions remain unconfirmed. Also, in case of default, BELFIUS BANK may find it more difficult to enforce the contract.

Investment considerations relating to the business of BELFIUS BANK

1. Uncertain economic conditions

BELFIUS BANK's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence; the state of the economies BELFIUS BANK does business in, market interest rates and other factors that affect the economy. Also, the market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other countries. There can be no assurance that current events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. The profitability of BELFIUS BANK's businesses could, therefore, be adversely affected by a worsening of general economic conditions in its markets, as well as by foreign and domestic trading market conditions and/or related factors, including governmental policies and initiatives. An economic downturn or significantly higher interest rates could increase the risk that a greater number of BELFIUS BANK's customers would default on their loans or other obligations to BELFIUS BANK, or would refrain from seeking additional borrowing. As BELFIUS BANK currently conducts the majority of its business in Belgium, its performance is influenced by the level and cyclical nature of business activity in this country, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a lasting weakening in the Belgian economy will not have a material adverse effect on BELFIUS BANK's future results.

2. Commitments towards the European Commission following the purchase of BELFIUS BANK by the Belgian federal state

On 28 December 2012, the European Commission approved BELFIUS BANK 2013-2016 strategic plan. Discussions with the European Commission took place in total transparency, and in a calm and constructive atmosphere. The Commission confirms a sustainable and autonomous future for BELFIUS BANK, insofar as the plan is implemented accordingly. It asks for some restrictions however, applicable in 2013 and 2014, particularly regarding proprietary trading, advertising, acquisitions, coupon payments, call exercises and dividend distributions, remuneration policy and operating costs. The production of new loans to the public and social sectors and the sale of life insurance products are restricted to a certain upper limit. However such ceilings do not limit BELFIUS BANK in its role as financier to the public and social sectors as it does not constitute a brake on the commercial objectives of BELFIUS BANK and Belfius Insurance. These new conditions fully and with immediate effect replace the old limitations imposed in 2010 when BELFIUS BANK, at the time still Dexia Bank, was part of the Dexia Group.

This decision enables BELFIUS BANK to continue to dedicate itself fully to the implementation of its strategic plan, the principal lines of which are as follows:

- the continuing refocusing of BELFIUS BANK on the Belgian economy, whilst promoting a modern bank and maintaining the market shares of BELFIUS BANK and Belfius Insurance in their different client and activity segments;
- a gradual growth and control of profits, allocated as a priority to strengthening BELFIUS BANK's capital base from the perspective of implementing the regulatory reforms associated with Basel III and Solvency II;
- an ongoing effort to reduce recurrent costs by the end of 2016.

3. A downgrade in the credit rating

The rating agencies, Standard & Poor's, Moody's and Fitch Ratings, use ratings to assess whether a potential borrower will be able in the future to meet its credit commitments as agreed. A major element in the rating for this purpose is an appraisal of the company's net assets, financial position and earnings performance. In addition, BELFIUS BANK is wholly owned by the Kingdom of Belgium and it is possible that, if the ratings assigned to the Kingdom of Belgium were to be downgraded, that could result in the ratings assigned to BELFIUS BANK being negatively affected. A bank's rating is an important comparative element in its competition with other banks. It also has a significant influence on the individual ratings of the most important subsidiaries. A downgrading or the mere possibility of a downgrading of the rating of BELFIUS BANK or one of its subsidiaries might have adverse effects on the relationship with customers and on the sales of the products and services of the company in question. In this way, new business could suffer, BELFIUS BANK's competitiveness in the market might be reduced, and its funding costs would increase substantially. A downgrading of the rating would also have adverse effects on the costs to BELFIUS BANK of raising equity and borrowed funds and might lead to new liabilities arising or to existing liabilities being called that are dependent upon a given rating being maintained. It could also happen that, after a downgrading, BELFIUS BANK would have to provide additional collateral for derivative transactions in connection with rating-based collateral arrangements. If the rating of BELFIUS BANK were to fall within reach of the non-investment grade category, it would suffer considerably. In turn, this would have an adverse effect on BELFIUS BANK's ability to be active in certain business areas.

4. Catastrophic events, terrorist attacks and other acts of war

Catastrophic events, terrorist attacks, other acts of war or hostility, and responses to those acts may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which BELFIUS BANK operates and, more specifically, on the business and results of operations of BELFIUS BANK in ways that cannot be predicted.

5. The proposed financial transactions tax ("FTT")

The European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad, potentially extraterritorial scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. 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 Issuer is incorporated in Belgium and therefore financial institutions worldwide would be subject to the FTT when dealing in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may, therefore, be altered prior to implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Given the lack of certainty surrounding the proposals and their implementation, it is not possible to predict what effect the proposed FTT might have on the business of BELFIUS BANK; it could materially adversely affect the business of BELFIUS BANK. Prospective holders of the Notes are strongly advised to seek their own professional advice in relation to the FTT.

6. A substantial part of BELFIUS BANK's assets are collateralized

The amount of assets pledged as collateral by BELFIUS BANK (on 31 December 2013) can be estimated at EUR 57,178 million for EUR 182,777 million of total assets (see the 2013 annual report).

The amount of assets pledged is linked to the funding granted by external parties who demand collateral to mitigate the potential risk on BELFIUS BANK. During the year 2013 the amount of assets pledged has significantly decreased.

In addition, BELFIUS BANK established in November 2012 a Belgian Mortgage Pandbrieven Programme, licensed by the NBB, for a maximum amount of EUR 10,000,000,000. On 31 March 2014, EUR 3,645,000,000 mortgage pandbrieven are outstanding. In accordance with the law of 3 August 2012 establishing a legal regime for Belgian covered bonds, the investors of mortgage pandbrieven benefit from a dual recourse, being an unsecured claim against the general estate of BELFIUS BANK and an exclusive claim against the special estate of BELFIUS BANK. With respect to the assets of the general estate of BELFIUS BANK, the Noteholders, as unsecured and unsubordinated creditors of BELFIUS BANK, will rank pari passu with the investors of mortgage pandbrieven and any other unsecured and unsubordinated creditors of BELFIUS BANK.

The special estate in relation to the Belgian Mortgage Pandbrieven Programme is mainly composed of residential mortgage loans and the value of the assets, contained in the special estate, need to be in proportion with the nominal amount of issued mortgage pandbrieven (in accordance with applicable law and issue conditions). Only mortgage pandbrieven investors and other creditors, which can be identified based on the mortgage pandbrieven issue conditions, have a claim on the special estate.

Factors which are material for the purpose of assessing the market risks associated with the Notes

Each of the factors described above may also have an impact on the risks associated with the Notes. Prospective investors should carefully read the information set out below in conjunction with the risk factors related to the businesses of the Issuer.

1. Business conditions and the general economy

The Issuer’s profitability could be adversely affected by a worsening of general economic conditions domestically, globally or in certain individual markets such as Belgium. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example:

- An economic downturn or significantly higher interest rates could adversely affect the credit quality of BELFIUS BANK’s on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of BELFIUS BANK’s customers would be unable to meet their obligations;
- A continued market downturn or further worsening of the economy could cause BELFIUS BANK to incur mark-to-market losses in some of its portfolios; and
- A continued market downturn would be likely to lead to a decline in the volume of transactions that BELFIUS BANK executes for its customers and, therefore, lead to a decline in the income it receives from fees and commissions and interest.

All of the above could in turn affect BELFIUS BANK’s ability to meet its payments under the Notes.

2. Current market conditions and recent developments

Sustained actions by the monetary authorities in both the United States and the Eurozone have created the conditions necessary to achieve stability in the financial system and to permit the start of an economic recovery. By injecting money into the economy and by creating proper financing systems, substitutes for the interbank market have been created and confidence within the banking system is being restored. The creation of a banking union in the European Union and the subsequent requirements imposed upon financial institutions by that banking union is expected to further strengthen the confidence in the stability of the financial systems. However, financial institutions can still be forced to seek additional capital, merge with larger and stronger institutions and, in some cases, be resolved in an organised manner.

The capital and credit markets have experienced a reduction in the volatility and disruption it has experienced over past years. In some cases, this has resulted in upward pressure on stock prices and bonds, and has also resulted in increased business and consumer confidence. Subsequently, the economy has left a period of distress and entered a phase of economic growth. However, should the economy fall back into recession then it cannot be said that a lack of confidence, increased volatility in the financial markets and reduced business activity may materially and adversely affect the Issuer's business, financial condition and operational results, which could in turn affect the Issuer's ability to meet its payments under the Notes.

3. Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the Issuer may be unable to pay or deliver amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- 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.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

1. Issuer's obligations under Subordinated Notes

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior to the claims of creditors in respect of unsubordinated obligations (as described in "Terms and Conditions of the Notes"). Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is an increased risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

2. Substitution and Redemption relating to Subordinated Notes

If specified as being applicable in the relevant Final Terms, Subordinated Notes may contain provisions which permit the Issuer to substitute the relevant Subordinated Notes for new Notes, so that the new Notes replacing the substituted Subordinated Notes, subject to certain restrictions, feature Terms and Conditions such that they are eligible for Tier 2 capital under the applicable regulatory capital rules. In certain circumstances where the Issuer is unable to achieve the Tier 2 capital recognition of the Notes in full through such a substitution of the Subordinated Notes for new Notes (if specified as being applicable in the relevant Final Terms), the relevant Subordinated Notes may be redeemed early. The exercise of these rights by the Issuer may have an adverse effect on the position of holders of the Subordinated Notes. In addition, the tax and stamp duty consequences of holding any such substituted Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding Subordinated Notes prior to such substitution.

3. Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. Investors that choose to reinvest moneys they receive through an optional early redemption may be able to do so only in securities with a lower yield than the redeemed Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

4. Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

5. Investors will not be able to calculate in advance their rate of return on Floating Rate Notes, CMS-Linked Interest Notes or Range Accrual Notes

A key difference between Floating Rate Notes, CMS-Linked Interest Notes or Range Accrual Notes, on the one hand, and Fixed Rate Notes, on the other, is that interest income on Floating Rate Notes, CMS-Linked Interest Notes or Range Accrual Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes, CMS-Linked Interest Notes or Range Accrual Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest periods. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline, because investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

6. Zero Coupon Notes are subject to higher price fluctuations than non-discounted notes

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

7. Risks relating to Range Accrual Notes

Range Accrual Notes provide for interest to be paid on interest payment dates occurring at regular intervals throughout the life of the Notes.

The amount of interest that an investor in the Notes receives is linked to the performance of the Reference Rate specified in the applicable Final Terms and on how many actual days during the relevant Interest Period the level or value of the Reference Rate remains within a certain range, (the upper barrier and lower barrier of which is specified in the applicable Final Terms). If the level or value of the Reference Rate is below the lower barrier or higher than the upper barrier on some or all of the days in an Interest Period, the investor may receive low or even zero interest payments, respectively, for the relevant Interest Period. Noteholders should note that no interest accrues on days when the level or value of the Reference Rate is outside of the range specified. Interest payable on the Notes is therefore also linked to the volatility of the level or value of the Reference Rate. Range Accrual Notes may not be suitable for investors who require regular income payments.

8. Risks relating to Fixed to Floating Rate Notes or Floating to Fixed Rate Notes

Notes which are "Fixed to Floating Rate Notes" or "Floating to Fixed Rate Notes" may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondment market and the market value of such Notes, since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed to Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing rates on its Notes.

9. Risks relating to Resettable Notes

In the case of any Series of Resettable Notes, the rate of interest on such Resettable Notes will be reset by reference to the then prevailing Mid-Swap Rate, as adjusted for any applicable margin, on the reset dates specified in the applicable Final Terms. This is more particularly described in Condition 2(b) (*Interest on Resettable Notes*). The reset of the rate of interest in accordance with such provisions may affect the secondary market for and the market value of such Resettable Notes. Following any such reset of the rate of interest applicable to the Notes, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest on the relevant Resettable Notes may be lower than the Initial Rate of Interest, the First Reset Rate of Interest and/or any previous Subsequent Reset Rate of Interest.

10. Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

11. Foreign currency Notes expose investors to foreign-exchange risk as well as to Issuer risk

As purchasers of foreign currency Notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the Issuer or the type of Note being issued.

12. A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

13. A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. This Prospectus includes general summaries of certain Belgian tax considerations relating to an investment in the Notes issued by the Issuer (see the section headed "Belgian Taxation on the Notes"). Such summaries may not apply to a particular holder of Notes or to a particular issue and do not cover all possible tax considerations. In addition, the tax treatment may change before the maturity, redemption or termination date of Notes. The Issuer advises all investors to contact their own tax advisers for advice on the tax impact of an investment in the Notes.

14. There is no active trading market for the Notes

Any Series of Notes will be new securities which may not be widely distributed and for which there is currently no active trading market (even where, in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for Notes issued under the Programme to be admitted to the Official List of the Luxembourg Stock Exchange and to trading on the regulated market of the CSSF, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted, that an active trading market will develop or that any listing or admission to trading will be maintained. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes, nor that such application for any listing or admission to trading will be maintained in respect of every Tranche of Notes.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

1. Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including modifications to the Terms and Conditions and/or a programme document and/or the substitution of an Issuer. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

2. European Monetary Union

If the United Kingdom joins the European Monetary Union prior to the maturity of the Notes, there is no assurance that this would not adversely affect investors in the Notes. It is possible that, prior to the maturity of the Notes, the United Kingdom may become a participating Member State and that the Euro may become the lawful currency of the United Kingdom. In that event: (i) all amounts payable in respect of any Notes denominated in Sterling may become payable in Euro; (ii) the law may allow or require such Notes to be re-denominated into Euro and additional measures to be taken in respect of such Notes; and (iii) there may no longer be available published or displayed rates for deposits in Sterling used to determine the rates of interest on such Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the Euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Notes.

3. EU Savings Directive

Under EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident or to certain other persons established in that other Member State. However, for a transitional period, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

On 18 March 2014, the Luxembourg government submitted to the Luxembourg Parliament the draft Bill No. 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the Automatic Exchange of Information as from that date. This draft Bill is in line with the announcement of the Luxembourg government of April 2013.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The Council of the European Union formally adopted a Council Directive amending the Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

4. Payments on the Notes may be subject to U.S. withholding tax under FATCA

In certain circumstances payments made on or with respect to the Notes after 31 December 2016 may be subject to U.S. withholding tax under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**") or under laws enacted pursuant to an intergovernmental agreement ("**IGA**") relating to FATCA entered into between the United States and Belgium. This withholding does not apply to payments on Notes that are issued prior to the date that is six months after the date on which the final regulations that define "foreign passthru payments" are published, unless the Notes are "materially modified" after that date or are characterized as equity for U.S. federal income tax purposes.

It is expected that FATCA would affect the amount of any payment received by the X/N System, Euroclear and Clearstream Luxembourg (together, the "**ICSDs**") in only the most remote circumstances. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

If any amount of deduction or withholding from principal or other payments on the Notes were required under FATCA, laws enacted pursuant to the IGA entered into between the United States and Belgium or laws enacted pursuant to an IGA entered into with another jurisdiction, the Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction by the Issuer, a paying agent or any other party. As a result, investors may receive less principal or other payments on the Notes than expected. Investors should see the discussion under "U.S. Withholding Tax Under FATCA" below and consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

5. The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Tranche of Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Belgium or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes of such Tranche in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the applicable Final Terms specify that the Notes are redeemable at the Issuer's option in other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

If Condition 3(e) (*Redemption upon Capital Disqualification Event*) is specified as being applicable in the applicable Final Terms, the relevant Subordinated Notes may also be redeemed at the option of the Issuer if there are changes in the applicable regulatory capital requirements.

If Condition 3(f) (*Redemption upon Target Early Redemption Event*) is specified as being applicable in the applicable Final Terms, Notes may be redeemed if the cumulative amount of interests paid exceeds a predetermined level set out in the applicable Final Terms.

6. Change of law

The Terms and Conditions of the Notes are, save to the extent referred to in the Terms and Conditions, based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

In addition, any relevant tax law or practice applicable as at the date of this Prospectus and/or the date of purchase or subscription of the Notes may change at any time (including during any subscription period or the term of the Notes). Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss absorption tools which may affect the rights of holders of notes issued by the Issuer, including the Notes. Any such change may have an adverse effect on a Noteholder, including that the Notes 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.

7. Reliance on the procedures of the X/N System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

Notes will be issued in dematerialised form under the Belgian Companies Code and cannot be physically delivered. The Notes will be represented exclusively by book entries in the records of the X/N System. Access to the X/N System is available through the X/N System participants whose membership extends to securities such as the Notes. The X/N System participants include certain banks, stockbrokers ("*beursvennootschappen*"/"*sociétés de bourse*"), and Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Notes will be effected between the X/N System participants in accordance with the rules and operating procedures of the X/N System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the X/N System participants through which they hold their Notes.

Neither the Issuer, nor the Arranger, any Dealer or any Agent will have any responsibility for the proper performance by the X/N System or the X/N System participants of their obligations under their respective rules and operating procedures.

A Noteholder must rely on the procedures of the X/N System, Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the X/N System.

8. No Agent is required to segregate amounts received by it in respect of Notes cleared through the X/N System

The Agency Agreement (as defined in the Terms and Conditions) provides that an Agent will debit the relevant account of the Issuer and use such funds to make payment to the Noteholders.

The Agency Agreement also provides that an Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Noteholder, directly or through the NBB, any amounts due in respect of the relevant Notes. However, no Agent is required to segregate any such amounts received by it in respect of the Notes, and in the event that such Agent were subject to insolvency proceedings at any time when it held any such amounts, Noteholders would not have any further claim against the Issuer in respect of such amounts, and would be required to claim such amounts from such Agent in accordance with applicable Belgian insolvency laws.

9. No Agent assumes any fiduciary or other obligations to the Noteholders

Each Agent appointed in respect of Notes will act in its respective capacity in accordance with the Terms and Conditions and the Agency Agreement in good faith. However, Noteholders should be aware that the Agent assumes no fiduciary or other obligations to the Noteholders and, in particular, is not obliged to make determinations which protect or further the interests of the Noteholders.

The Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties.

10. Potential Conflicts of Interest

Potential conflicts of interest may exist between the Issuer, the Agents, the Dealers, the Calculation Agent and the Noteholders. The Calculation Agent in respect of any Series of Notes may be the Issuer, and this gives rise to potential conflicts including (but not limited to) with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Terms and Conditions that may influence any interest amount due on, and for the amount receivable upon redemption of, the Notes. The Issuer acts as the principal paying agent under the Agency Agreement (as defined below), and in its capacity as Paying Agent, will be arranging for payments to be made through the NBB in respect of the Notes. The Issuer and its affiliates (including, if applicable, any Dealer or Agent) may engage in trading activities (including hedging activities) related to any Notes, for its proprietary accounts or for other accounts under their management.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

1. The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and a higher price volatility than conventional debt securities; liquidity may have a materially adverse effect on the market value of Notes.

2. Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the equivalent yield on the Notes in the Investor's Currency, (ii) the equivalent value of the principal payable on the Notes in the Investor's Currency and (iii) the equivalent market value of the Notes in the Investor's Currency.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3. Interest rate risks

Investment in Fixed Rate Notes or Range Accrual Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes or Range Accrual Notes.

4. Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation (as defined on page 1) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent Notes are legal investments for it.

OVERVIEW OF THE PROGRAMME

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Prospectus (including any documents incorporated by reference) and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined or used in "Terms and Conditions of the Notes" shall have the same meaning in this overview.

Issuer	Belfius Bank SA/NV ("**BELFIUS BANK**")
Information relating to the Issuer	BELFIUS BANK is a limited liability company of unlimited duration incorporated under Belgian law and registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185. Its registered office is at 1000 Brussels, Boulevard Pachéco 44, Belgium, telephone +32 22 22 11 11
Information relating to the Programme	
Size	Euro 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Arranger	UBS Limited
Dealers	Banco Bilbao Vizcaya Argentaria, S.A. Barclays Bank PLC Belfius Bank SA/NV Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc NATIXIS Nomura International plc Société Générale The Royal Bank of Scotland plc UBS Limited UniCredit Bank AG 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.
Fiscal Agent	BELFIUS BANK, or any other entity appointed from time to time by the Issuer as the Fiscal Agent pursuant to the terms of the Agency Agreement either in respect of the Programme, generally, or in respect of a particular issuance of the Notes, in

which case a different Fiscal Agent may be specified in the applicable Final Terms.

Paying Agent	BELFIUS BANK, or any other entity appointed from time to time by the Issuer as the Paying Agent or an additional Paying Agent pursuant to the terms of the Agency Agreement, either in respect of the Programme, generally, or in respect of a particular issuance of the Notes, in which case a different Paying Agent may be specified in the applicable Final Terms.
Listing Agent	Banque Internationale à Luxembourg SA, or any other entity appointed from time to time by the Issuer as a Listing Agent, either in respect of the Programme, generally, or in respect of a particular issuance of the Notes, in which case a different Listing Agent may be specified in the applicable Final Terms.
Agency Agreement	Means the amended and restated agency agreement between the Issuer, the Fiscal Agent and the Paying Agent dated on or about the date of this Prospectus.
Method of Issue	Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the Final Terms.
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount.
Form of Notes	Notes will be issued in dematerialised form in accordance with Article 468 et seq. of the Belgian Companies Code via the book-entry system maintained in the records of the National Bank of Belgium as operator of the X/N System.
Clearing Systems	The X/N System. Access to the X/N System is available through those of the participants in the X/N System whose membership extends to securities such as the Notes. Participants in the X/N System include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme, ("**Clearstream, Luxembourg**"). Accordingly, the Notes will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg, and investors can hold their Notes within securities accounts in Euroclear and Clearstream, Luxembourg.

Initial Delivery of Notes	Notes will be credited to the accounts held with the X/N System by Euroclear, Clearstream, Luxembourg or any other X/N System participants.
Currencies	Subject to compliance with all relevant laws, regulations and directives (including the rules of the X/N System), Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue. Notes may be issued which have no specified maturity Under the Luxembourg Law which implements the Prospectus Directive, prospectuses relating to money market instruments having a maturity on issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such law.
Denomination	Notes will be in such denominations as may be specified in the applicable Final Terms, save that (i) in the case of any Notes 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 Member State in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA 2000**") will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes	Fixed Rate Notes will bear interest at a fixed rate payable in arrear on the date or dates in each year specified in the applicable Final Terms. The yield of each Tranche of Fixed Rate Notes will be calculated on the basis of the relevant issue price at the relevant issue date. It is not an indication of future yield.
Resettable Notes	Interest will be payable in arrear on the dates specified in the Final Terms at the initial rate specified in the Final Terms, and thereafter the rate may be reset with respect to a specified time period by reference to the prevailing Mid-Swap Rate. The rate of interest may be reset on more than one occasion.
Step-Up Notes	Fixed Rate Notes may also be issued as Step-Up Notes, in

which case the fixed interest payable on the Notes will increase in respect of each successive date on which interest is to be paid, as specified in the applicable Final Terms.

Floating Rate Notes	Floating Rate Notes will bear interest set separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined below), as published by the International Swaps and Derivatives Association, Inc.; and (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. Interest Periods will be specified in the applicable Final Terms.
CMS-Linked Interest Notes:	CMS-Linked Interest Notes will bear interest set separately for each Series by reference to a Constant Maturity Swap Rate, or the spread between two such rates, as may be specified in the applicable Final Terms, as adjusted for any applicable margin and/or leverage as specified in the applicable Final Terms. Interest Periods will be specified in the applicable Final Terms.
Maximum or Minimum Rates of Interest	Floating Rate Notes, CMS-Linked Interest Notes and Range Accrual Notes may specify a Maximum Rate of Interest or a Minimum Rate of Interest, or both, as being applicable in the applicable Final Terms. If a Maximum Rate of Interest is specified, then the interest payable will in no case be higher than such rate and if a Minimum Rate of Interest is specified, then the interest payable will in no case be lower than such rate.
Fixed to Floating Rate Notes and Floating to Fixed Rate Notes	Notes may be issued under the Programme which bear a fixed rate of interest in respect of certain Interest Periods and a floating rate of interest in respect of other Interest Periods, as specified in the applicable Final Terms.
Range Accrual Notes	Range Accrual Notes will bear interest calculated by reference to the number of business days during the relevant Interest Accrual Period on which a reference rate is greater than or equal to a specified minimum rate of interest and lesser than or equal to a specified maximum rate of interest.
Zero Coupon Notes	Zero Coupon Notes will be issued at a price which is at a discount to their principal amount, and will not bear interest.
Redemption	Notes will be redeemed either (i) at 100 per cent. per Calculation Amount, or (ii) at a an amount per Calculation Amount specified in the applicable Final Terms, **provided that** the amount so specified shall be at least 100 per cent. per Calculation Amount.
Redemption by Instalments	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates

	on which, and the amounts at which, such Notes may be redeemed.
Optional Redemption	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer or, if applicable, at the option of the Noteholder, and if so, the terms applicable to such redemption shall be as set out in the Terms and Conditions of such Notes, in accordance with the elections made in the applicable Final Terms.
Early Redemption	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See "Terms and Conditions of the Notes – Taxation". If specified in the applicable Final Terms, Notes may be (i) subject to a mandatory early redemption in case the cumulative amount of interest paid in respect of such Notes reaches a level set out in the applicable Final Terms or (ii) in respect of Subordinated Notes, upon the occurrence of a Capital Disqualification Event.
Status of Notes	Senior Notes: The Senior Notes will be direct, unconditional and unsecured obligations of the Issuer and 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, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights. Subordinated Notes: The Subordinated Notes will be direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Subordinated Notes shall at all times rank equally with all other Subordinated Obligations. Subordinated Notes may be accelerated only in the case of certain insolvency or bankruptcy events occurring with respect to the Issuer.
Cross Default	None.
Negative Pledge	None.
Ratings	The following ratings have been assigned to Notes to be issued under the Programme: The Programme has been rated A- in respect of Senior Notes with a maturity of one year or more and BBB in respect of Subordinated Notes with a maturity of one year or more by Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**") and, Baa1 in respect of Senior Notes with a maturity of one year or more and B1 in respect of Subordinated Notes with a maturity of one year or more by Moody's France SAS ("**Moody's**"). Each of Moody's and Standard & Poor's 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 ("**ESMA**") website (http://www.esma.europa.eu/) (on or about 7 May 2014). Where a Tranche of Notes is to be rated, such rating will be specified in the applicable Final Terms. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to Notes already issued under the Programme. Whether or not a rating in relation to any Tranche of Notes 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.
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Belgium unless the withholding is required by law. In such event, the Issuer shall, subject to certain exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in "Terms and Conditions of the Notes – Taxation", "EU Directive on the Taxation of Savings Income" and "Belgian Taxation on the Notes".
Governing Law	English law save that (i) any matter relating to title to, and the dematerialised form of, such Notes, and any non-contractual obligations arising out of or in connection with title to, and any matter relating to the dematerialised form of, such Notes and (ii) in relation to Subordinated Notes, Conditions 3(e) and 6, will be governed by, and construed in accordance with Belgian law.
Listing and Admission to Trading	Application will be made, where specified in the applicable Final Terms, for a Series of Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market ("**Regulated Market**") for the purposes of Directive 2004/39/EC on markets in financial instruments, or the Series of Notes may remain unlisted. The CSSF, in its capacity as the competent authority under the Luxembourg Law on Prospectuses, has approved this Prospectus as base prospectus for the purposes of the Prospectus Directive. Such approval relates only to the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.
Selling Restrictions	United States, European Economic Area, United Kingdom, Belgium, and Japan. See "Subscription and Sale". The debt securities of BELFIUS BANK are eligible for

	Category 2 for the purposes of Regulation S under the Securities Act.
	Please see "Risk Factors" below for further details.
Use of Proceeds	The net proceeds of the issue of the Notes will be used by BELFIUS BANK for its general corporate purposes.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with (i) the Terms and Conditions of the Notes set out at pages 41 to 70 (both inclusive) of the Base Prospectus dated 7 June 2013 relating to BELFIUS BANK's Euro 10,000,000,000 Euro Medium Term Note Programme and (ii) the audited consolidated accounts of BELFIUS BANK for the years ended 31 December 2012 and 31 December 2013, including the reports of the statutory auditors in respect thereof which are incorporated by reference in this Prospectus. Such documents shall be incorporated in and form part of this 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 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 Prospectus.

Copies of all documents incorporated by reference in this Prospectus may be obtained without charge from the offices of the Issuer, and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The tables below set out the relevant page references for the accounting policies, notes and auditors' reports of the Issuer for the financial years ended 31 December 2012 and 31 December 2013, respectively, as well as the non-consolidated statement of income, the consolidated profit and loss account, the cash flow statement and the non-consolidated balance sheet of BELFIUS BANK as set out in the Annual Reports of the Issuer.

Information contained in the documents incorporated by reference other than information listed in the table below does not form part of this Prospectus. The non-incorporated parts of such documents are not relevant for the investor or covered elsewhere in this Prospectus.

The consolidated balance sheet and consolidated statement of income of BELFIUS BANK can also be found in the section headed "Description of the Issuer" on page 76 of this Prospectus.

	BELFIUS BANK SA/NV	
	Annual Report 2012 **(French Version)**	**Annual Report 2013** **(English Version)**
Consolidated balance sheet	Not incorporated by reference.	92
consolidated profit and loss account	70	94
consolidated cash flow statement	77	100
audit report on the consolidated accounts	188	204
notes to the consolidated accounts	78	101
non-consolidated balance sheet	192	208
non-consolidated profit and loss account	195	211
audit report on the non-consolidated accounts	242	214
notes to the non-consolidated accounts	201	Not incorporated by reference.

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a supplement in accordance with Article 13 of the Luxembourg law of 10 July 2005 (as amended by the Luxembourg law of 3 July 2012) relating to prospectuses for securities (the "**Luxembourg Law on Prospectuses**"), the Issuer will prepare and make available an appropriate supplement to this Prospectus which, once approved by the CSSF in its capacity as the competent authority under the Luxembourg Law on Prospectuses, in respect of any subsequent issue of Notes to be listed and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a prospectus supplement in accordance with Article 13 of the Luxembourg Law on Prospectuses.

The Issuer has given an undertaking to the Dealers that if, at any time during the duration of the Programme, there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare a supplement (in accordance with Article 13 of the Luxembourg Law on Prospectuses) to this Prospectus or publish a new prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes, save for the paragraphs in italics that shall not form part of the Terms and Conditions of the Notes. In the case of any Series of Notes which are admitted to trading on a regulated market in a Member State, the applicable Final Terms shall not amend or replace any information in this Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Series of Notes may complete any information in this Prospectus.

References in these terms and conditions (the "**Terms and Conditions**") to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme (as defined below). All capitalised terms which are not defined in these Terms and Conditions will have the meanings given to them or refer to information specified in, Part A of the applicable Final Terms.

The Notes are issued pursuant to an Amended and Restated Agency Agreement dated on or about 7 May 2014 (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Agency Agreement**") between Belfius Bank SA/NV ("**BELFIUS BANK**" or the "**Issuer**") and Belfius Bank SA/NV in its capacity as fiscal agent for Notes (in such capacity, the "**Fiscal Agent**", which term shall include such other entity appointed as the Fiscal Agent from time to time pursuant to the terms of the Agency Agreement), and the other agents named in it or appointed from time to time pursuant to the terms thereof. The paying agents, and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "**Paying Agents**" (which expression shall, unless the context requires otherwise, include the Fiscal Agent), and the "**Calculation Agent(s)**". The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. As used in these Terms and Conditions, "**Tranche**" means Notes which are identical in all respects.

Copies of the Agency Agreement are available for inspection free of charge at the specified offices of each of the Paying Agents.

1 Form, Denomination and Title

The Notes are issued in dematerialised form in the Specified Denomination(s) set out in the applicable Final Terms **provided that** in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a Prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 and integral multiples of €100,000 (or, in each case, its equivalent in any other currency as at the date of issue of the relevant Notes).

Notes are issued in dematerialised form (the "**Dematerialised Notes**") via a book-entry system maintained in the records of the National Bank of Belgium (the "**NBB**") as operator of the X/N System in accordance with Article 468 and following of the Belgian Code of Companies and will be credited to the accounts held with the X/N System by Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or other X/N System participants for credit by Euroclear, Clearstream, Luxembourg or other X/N System participants to the securities accounts of their subscribers.

In these Terms and Conditions, "**X/N System**" means the settlement system operated by the NBB or any successor thereto.

Transfer of Notes will be effected only through records maintained by the X/N System, Euroclear and Clearstream, Luxembourg or other X/N System participants and in accordance with the applicable procedures of the X/N System, Euroclear and Clearstream, Luxembourg or other X/N System participants. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note 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 and no person shall be liable for so treating the holder.

In these Terms and Conditions and the applicable Final Terms, "**Noteholder**" means and "**holder**" means in respect of a Note, the person evidenced as holding the Note by the book-entry system, "holder" and capitalised terms have the meanings given to them in these Terms and Condition and the applicable Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

If, at any time, the Notes are transferred to any other clearing system which is not exclusively operated by the NBB (such clearing system an "**Alternative Clearing System**"), these Terms and Conditions shall apply *mutatis mutandis* in respect of such Notes.

2 Interest and Other Calculations

(a) Rate of Interest on Fixed Rate Notes

(A) **General.** Each Fixed Rate Note bears interest on its outstanding principal amount (less, in the case of any Instalment Note, any principal amount on which interest shall have ceased to accrue in accordance with Condition 2(i) below) from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal (subject as provided in Condition 2(h)) to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 2(i).

(B) **Step-Up Notes.** If, in relation to any Fixed Rate Note, the applicable Final Terms specify such Notes as being "**Step-Up Notes**", the Issuer shall on each Interest Payment Date pay interest on such Notes in accordance with Condition 2(a)(A) at a Rate of Interest specified in the applicable Final Terms, **provided that** such Rate of Interest shall be specified in the applicable Final Terms in respect of each Interest Period and shall increase on successive Interest Periods as specified in the applicable Final Terms.

(b) Rate of Interest on Resettable Notes

Each Resettable Note bears interest on its outstanding principal amount (less, in the case of any Instalment Note, any principal amount on which interest shall have ceased to accrue in accordance with Condition 2(i) below):

(A) from and including the Interest Commencement Date to but excluding the First Resettable Note Reset Date at the rate per annum (expressed as a percentage) equal to the Initial Rate of Interest;

(B) at the First Reset Rate of Interest from and including the First Resettable Note Reset Date, to but excluding

(i) the Second Resettable Note Reset Date, if such a Second Resettable Note Reset Date is specified in the applicable Final Terms; or

(ii) the Maturity Date, if no such Second Resettable Note Reset Date is specified in the applicable Final Terms;

(C) for each Subsequent Reset Period (if any), at the relevant Subsequent Reset Rate of Interest in respect of such Subsequent Reset Period as specified in the applicable Final Terms,

such interest being payable in arrear on each Interest Payment Date.

The amount of interest payable shall, in each case, be determined in accordance with Condition 2(i).

(c) Rate of Interest on Floating Rate Notes or CMS-Linked Interest Notes

(A) **General.** Each Floating Rate Note and CMS-Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The Reference Rate in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in accordance with the provisions below relating to either ISDA Determination or Screen Rate Determination, as specified in the applicable Final Terms. The CMS Rate in respect of CMS-Linked Interest Notes shall be determined as set out in the definition of CMS Rate in Condition 2(m) below. In each case, the Rate of Interest shall be determined in accordance with the applicable provisions of this Condition 2(c) and the amount of interest payable shall be determined in accordance with Condition 2(i).

(B) **ISDA Determination.** 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:

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

(ii) the Designated Maturity is as specified in the applicable Final Terms; and

(iii) 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) **Screen Rate Determination (Notes other than CMS-Linked Interest Notes)**. In relation to Notes other than CMS-Linked Interest Notes, 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 in Condition 2(h) 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 Relevant Time 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(i).

For the purposes of the foregoing:

(x) 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

(y) if paragraph (x) 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, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(D) **CMS-Linked Interest Notes.** Where the Notes are specified in the applicable Final Terms to be CMS-Linked Interest Notes, the Rate of Interest for each Interest Period will be determined as set out below according to which of the following Reference Rates is specified in the applicable Final Terms as being applicable and:

(1) where "**CMS Reference Rate**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

(2) where "**Leveraged CMS Reference Rate**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

Leverage x CMS Rate + Margin

(3) where "**CMS Reference Rate Spread**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

CMS Rate 1 – CMS Rate 2 + Margin

(4) where "**Leveraged CMS Reference Rate Spread**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

[Leverage x (CMS Rate 1 – CMS Rate 2)] + Margin

(E) **Margin, Minimum Rate of Interest, Maximum Rate of Interest.** The determination of the Rate of Interest pursuant to Conditions 2(b)(B), 2(b)(C) or 2(b)(D) above shall be subject to the following:

(1) In relation to Notes other than CMS-Linked Interest Notes, 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.

(2) In relation to Notes other than any CMS-Linked Interest Notes, if any Leverage 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 multiplying the rate determined pursuant to Condition 2(c)(B) or 2(c)(C), as applicable, and the absolute value of such Leverage.

(3) If any Maximum Rate of Interest is specified, the Rate of Interest shall be the *lesser of* (i) the rate determined in accordance with Condition 2(c)(A), 2(c)(B), 2(c)(C) or 2(c)(D), as applicable, *and* (ii) such Maximum Rate of Interest.

(4) If any Minimum Rate of Interest is specified, the Rate of Interest shall be the *greater of* (i) the rate determined in accordance with Condition 2(c)(A), 2(c)(B), 2(c)(C) or 2(c)(D), as applicable, *and* (ii) such Minimum Rate of Interest.

(d) Change of Interest Basis - Rate of Interest on Fixed to Floating Rate Notes or Floating to Fixed Rate Notes

(A) **Fixed to Floating Rate Notes.** If the Notes are specified as "**Fixed to Floating Rate Notes**" in the applicable Final Terms, interest shall accrue and be payable on such Notes:

(1) with respect to the first Interest Period and such subsequent Interest Periods as are specified for this purpose in the applicable Final Terms at a fixed Rate of Interest in accordance with Condition 2(a) and the applicable Final Terms; and

(2) with respect to each Interest Period thereafter, at a floating Rate of Interest in accordance with Condition 2(c) and the applicable Final Terms.

(B) **Floating to Fixed Rate Notes.** If the Notes are specified as "**Floating to Fixed Rate Notes**" in the applicable Final Terms, interest shall accrue and be payable on such Notes:

(1) with respect to the first Interest Period and such subsequent Interest Periods as are specified for this purpose in the applicable Final Terms at a floating Rate of Interest in accordance with Condition 2(c) and the applicable Final Terms; and

(2) with respect to each Interest Period thereafter, at a fixed Rate of Interest in accordance with Condition 2(a) and the applicable Final Terms.

(e) Zero Coupon Notes

Where a Note the Rate of Interest of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Redemption Amount (as defined in Condition 3(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 3(b)).

(f) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, payment of principal is improperly withheld or refused on the due date thereof, in which event interest shall continue to accrue (both before and after judgement) at the Rate of Interest (or, in the case of Resettable Notes, at the First Reset Rate of Interest or at the relevant Subsequent Reset Rate of Interest, as applicable) in the manner provided in this Condition 2 to the Relevant Date (as defined in Condition 5(a)).

(g) Business Day Convention

If any date referred to in these Terms and 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:

(A) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day; or

(B) if "**No Adjustment**" is specified in the applicable Final Terms, the Calculation Period shall not be subject to adjustment in accordance with any Business Day Convention.

In relation to Fixed Rate Notes, the Business Day Convention applicable shall always be the Following Business Day Convention.

(h) Rounding

For the purposes of any calculations required pursuant to these Terms and 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.

(i) *Calculations for Notes other than Range Accrual Notes*

The amount of interest payable per Calculation Amount in respect of any Note (other than Notes in respect of which "Range Accrual Notes" is specified as being applicable in the applicable Final Terms) for any Interest Accrual Period shall be equal to the product of the Rate of Interest (or, in the case of Resettable Notes, the Initial Rate of Interest, the First Reset Rate of Interest or any Subsequent Reset 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 Note 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.

(j) *Rate of Interest in respect of Range Accrual Notes*

If "**Range Accrual Notes**" is specified as applicable in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on each Interest Payment Date, in an amount determined by the Calculation Agent in respect of the applicable Interest Accrual Period and being an amount per Calculation Amount equal to the Calculation Amount multiplied by the Rate of Interest determined in accordance with the following formula:

Rate of Interest = Specified Rate × Relevant Proportion × Day Count Fraction,

provided that: (i) if any Maximum Rate of Interest is specified, the Rate of Interest shall be the *lesser* of the rate determined in accordance with the above formula, and such Maximum Rate of Interest, and (ii) if any Minimum Rate of Interest is specified, the Rate of Interest shall be the *greater* of the rate determined in accordance with the above formula and such Minimum Rate of Interest.

(k) *Fallback Provision for Resettable Notes*

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 2(k), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Note Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the purposes of this Condition 2(k), "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

(l) *Determination and Publication of Rates of Interest, Interest Amounts, Redemption Amounts and Instalment 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 (and, in the case of Resettable Notes, each Reset Determination Date), determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or Reset Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest, the Reset Rate of Interest and the Interest Amounts for each Interest Accrual Period or Reset Period and the relevant Interest Payment Date or Resettable Note Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period and/or Reset Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest, Reset Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date, Resettable Note Interest Payment Date, Reset Date or Interest Period Date is subject to adjustment pursuant to Condition 2(h), the Interest Amounts and the Interest Payment Date or Resettable Note 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 or Reset Period. If the Notes become due and payable under Condition 11, the accrued interest and the Rate of Interest or Reset Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 2 but no publication of the Rate of Interest, Reset Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Redemption Amount and Instalment 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.

(m) *Definitions*

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

"**Business Centres**" means the cities specified as such in the applicable Final Terms.

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a day on which the TARGET System and the X/N System are operating (a "**TARGET Business Day**"); and/or

(iii) in the case of a currency and/or one or more specified Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency or, if none is specified, generally in each of the Business Centres.

"**CMS-Linked Interest Note**" means Notes in respect of which the "Floating Rate Note / CMS-Linked Interest Note Provisions" of Part A of the Final Terms are specified as being applicable in the applicable Final Terms, and which are specified as being CMS-Linked Interest Notes in the applicable Final Terms.

"**CMS Rate**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate in the applicable Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**CMS Rate 1**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate 1 in the applicable Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 1 as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**CMS Rate 2**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate 2 in the applicable Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 2 as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note 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**") (and **provided that** (x) the Day Count Fraction for any Floating Rate Notes denominated in Euro shall be Actual/360 (as defined below) and (y) the Day Count Fraction for any Notes denominated in Euro with a maturity of one year or less shall be Actual/360 (as defined below)):

(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:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

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

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

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

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

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

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

(vii) if "**Actual/Actual-ICMA**" is specified in the applicable 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 a Determination Date in any year to but excluding the next Determination Date; and

"**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, the Interest Commencement Date.

"**Designated Maturities**" means the time period specified as such in the applicable Final Terms.

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Eurozone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor).

"**Eurozone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

"**First Margin**" means the margin specified as such in the applicable Final Terms.

"**First Reset Period**" means the period from (and including) the First Resettable Note Reset Date until (but excluding) the Second Resettable Note Reset Date, or if no such Second Resettable Note Reset Date is specified in the applicable Final Terms, the Maturity Date.

"**First Reset Rate of Interest**" means, subject to Condition 2(k) (*Fallback Provision for Resettable Notes*) above, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date (being the date that is the second Business Day prior to the First Resettable Note Reset Date) as the sum of the relevant Mid-Swap Rate plus the First Margin.

"**First Resettable Note Reset Date**" means the date specified as such in the applicable Final Terms.

"**Fixed Rate Notes**" means Notes in respect of which the "Fixed Rate Note Provisions" in Part A of the Final Terms are specified as being applicable in the applicable Final Terms.

"**Floating Rate Note**" means Notes in respect of which the "Floating Rate Note / CMS-Linked Interest Note Provisions" of Part A of the Final Terms are specified as being applicable in the applicable Final Terms, and which are specified as being Floating Rate Notes in the applicable Final Terms.

"**Initial Rate of Interest**" means the rate of interest per annum specified as such in the applicable Final Terms.

"**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 Notes, shall mean the amount calculated in accordance with Condition 2(i) or the Fixed Coupon Amount or Broken Amount (if any) 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 as such 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 Payment Date**" means each date specified as an Interest Payment Date(s) in the applicable Final Terms (each such date a "Specified Interest Payment Date") or, if no Specified Interest Payment Date(s) is/are set out in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period set out in these Terms and Conditions or the applicable Final Terms 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.

"**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.

"**Interest Period Date**" means each Interest Payment Date or Resettable Note Interest Payment Date unless otherwise specified in the applicable Final Terms.

"**Instalment Notes**" means Notes specified as such in the applicable Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"**LIBOR**" means, in respect of any specified currency and any specified period, the London interbank offered rate for that currency and period displayed on the appropriate Reuters Screen page (being currently Reuters Screen page LIBOR01 or LIBOR02 or LIBOR3750) on the information service which publishes that rate.

"**Leverage**" means the value or number specified as such in the applicable Final Terms.

"**Lower Barrier**" has the value specified as such in the applicable Final Terms.

"**Margin**" means the percentage rate specified as such in the applicable Final Terms, **provided that** (A) the Margin may be specified either (x) generally, or (y) in relation to one or more Interest Accrual Periods, (B) the Margin may be zero, and (C) if a Margin is specified, an adjustment shall be made (to all Rates of Interest, in the case of sub-paragraph (x) of paragraph (A), or the Rate of Interest for the specified Interest Accrual Periods, in the case of sub-paragraph (y) of paragraph (A)), by adding (if the Margin is a positive number) or subtracting (if the Margin is a negative number) the absolute value of such Margin.

"**Maximum Rate of Interest**" means a percentage value specified as such in the applicable Final Terms.

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the basis of the Day Count Fraction specified in the applicable Final Terms as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Resettable Note Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the basis of the Day Count Fraction specified in the applicable Final Terms as determined by the Calculation Agent).

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate.

"**Mid-Swap Floating Leg Benchmark Rate**" means:

(i) where the Specified Currency is a currency other than euro, LIBOR; and

(ii) where the Specified Currency is euro, EURIBOR.

"**Mid-Swap Maturity**" means as specified in the applicable Final Terms.

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 2(k) (*Fallback Provision for Resettable Notes*) below, either:

(i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(aa) with a term equal to the relevant Reset Period; and

(bb) commencing on the relevant Resettable Note Reset Date,

which appears on the Relevant Screen Page; or

(ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(aa) with a term equal to the relevant Reset Period; and

(bb) commencing on the relevant Resettable Note Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent.

"**Minimum Rate of Interest**" means a percentage value specified as such in the applicable Final Terms.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of any Note and (i) in respect of Fixed Rate Notes, shall be the percentage rate specified in the applicable Final Terms or (ii) in respect of Notes other than Fixed Rate Notes, shall be the rate calculated in accordance with the applicable provisions of this Condition 2.

"**Reference Banks**" means (i) in relation to Notes other than CMS-Linked Interest Notes and (A) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and (B) 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 in the applicable Final Terms, and (ii) in relation to CMS Rates, means (A) where the Reference Currency is Euro, the principal Eurozone office of five leading swap dealers in the inter-bank market, (B) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (C) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (D) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Calculation Agent.

"**Reference Currency**" means each currency specified as such in the applicable Final Terms.

"**Reference Rate**" means, in relation to any Notes other than CMS-Linked Interest Notes, the rate specified as such in the applicable Final Terms in respect of the currency and period specified in the applicable Final Terms, and in relation to any CMS-Linked Interest Notes, the CMS Rate.

"**Relevant Proportion**" shall be calculated by *dividing* (i) the number of days during the relevant Interest Accrual Period on which the Reference Rate is lesser than or equal to Upper Barrier and greater than or equal to the Lower Barrier, *by* (ii) the total number of days during the applicable Interest Accrual Period.

"**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.

"**Relevant Swap Rate**" means:

(i) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating Euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a Designated Maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a Designated Maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a Designated Maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a Designated Maturity of three months; and

(iv) where the Reference Currency is any other currency, the mid-market swap rate as determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**Relevant Time**" means the time as of which any rate is to be determined as specified in the applicable Final Terms or, if none is specified, at which it is customary to determine such rate, and for these purposes, the Relevant Time in the case of LIBOR shall be 11:00 a.m. London time and in the case of EURIBOR shall be 11:00 a.m. Brussels time.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Reset Determination Date**" means, in respect of the First Reset Period, the second Business Day prior to the First Resettable Note Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Resettable Note Reset Date and, in respect of each Reset Period thereafter, the second Business Day prior to the first day of each such Reset Period.

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period.

"**Reset Rate of Interest**" means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable.

"**Resettable Note Interest Payment Date**" means each date specified as such in the applicable Final Terms.

"**Resettable Note Reset Date**" means the First Resettable Note Reset Date, the Second Resettable Note Reset Date and every Subsequent Resettable Note Reset Date as may be specified as such in the applicable Final Terms.

"**Reuters Screen**" means, when used in connection with a designated page and any designated information, the display page so designated on the Reuter Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

"**Second Resettable Note Reset Date**" means the date specified as such in the applicable Final Terms.

"**Specified Currency**" means the currency specified as such in the applicable Final Terms.

"**Specified Rate**" shall be the percentage rate specified as such in the applicable Final Terms.

"**Subsequent Margin**" means the margin(s) specified as such in the applicable Final Terms.

"**Subsequent Reset Period**" means the period from (and including) the Second Resettable Note Reset Date to (but excluding) the next Resettable Note Reset Date, and each successive period from (and including) a Resettable Note Reset Date to (but excluding) the next succeeding Resettable Note Reset Date.

"**Subsequent Resettable Note Reset Date**" means the date or dates specified as such in the applicable Final Terms.

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 2(k) (*Fallback Provision for Resettable Notes*) below, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date (being, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Resettable Note Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of such Subsequent Reset Period) as the sum of the relevant Mid-Swap Rate plus the applicable Subsequent Margin.

"**TARGET 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.

"**Upper Barrier**" has the value specified as such in the applicable Final Terms.

"**Zero Coupon Notes**" means Notes which do not bear any interest (but which are issued at a discount to the principal amount of the Notes), and in respect of which the "Zero Coupon Note" provisions in Part A of the Final Terms are specified as being applicable in the applicable Final Terms.

(n) *Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Terms and Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Terms and Conditions. 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, Instalment Amount or the Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

3 Redemption, Purchase and Options

(a) *Redemption by Instalments and Final Redemption*

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 3, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Final Terms.

The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

In these Terms and Conditions:

"**Instalment Amount**" means, in respect of any Tranche of Instalment Notes and any Instalment Date, an amount per Calculation Amount specified as such in the applicable Final Terms.

"**Instalment Date**" means each date specified as such in the applicable Final Terms.

"**Lead Regulator applicable to the Issuer**" means the NBB or any successor entity primarily responsible for the prudential supervision of the Issuer.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date (if any) specified in the applicable Final Terms at its Final Redemption Amount or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

In these Terms and Conditions:

"**Final Redemption Amount**" means, (i) if "**Specified Final Redemption Amount**" is specified as being applicable in the applicable Final Terms, an amount per Calculation Amount equal to the product of the Specified Fixed Percentage Rate and the Calculation Amount, **provided that** the Specified Fixed Percentage Rate will not, in any case be less than 100 per cent., or (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to the Calculation Amount;

"**Specified Fixed Percentage Rate**" means the percentage specified as such in the applicable Final Terms, which shall be determined by the Issuer at the time of issue on the basis of market conditions, **provided that** if no such rate is specified, the Specified Fixed Percentage Rate shall be 100 per cent.

(b) Early Redemption of Zero Coupon Notes and certain other Notes

(i) The Redemption Amount payable in respect of (a) any Note that does not bear interest prior to the Maturity Date, or (b) any Note in respect of which the applicable Final Terms specify "Amortised Face Amount" as the applicable option for determination of the Redemption Amount, in each case upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 11 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to sub-paragraph (iii) below, the "**Amortised Face Amount**" of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually.

(iii) If the Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Final Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note 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 Note 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 (both before and after judgement) 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 Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(b).

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 set out in the applicable Final Terms.

(c) *Redemption at the Option of the Issuer*

If so provided in the applicable Final Terms, the Issuer may on giving such period of irrevocable notice to the Noteholders as may be specified in the applicable Final Terms (which shall be not less than seven days) on giving irrevocable notice to the Noteholders falling within the Issuer's Option Period redeem all or, if so provided, some of the Notes in the principal amount of the Specified Denomination(s) or integral multiples thereof on the Optional Redemption Date. Any such redemption of Notes shall be at their Redemption Amount (Call) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to the Notes of a nominal amount at least equal to the Minimum Nominal Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Nominal Redemption Amount to be redeemed specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 3(c).

In the case of a partial redemption of the Notes, the relevant Notes will be selected in accordance with the rules of the X/N System

For these purposes, "**Redemption Amount (Call)**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent. or (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount.

(d) *Redemption at the Option of Noteholders*

In relation to all Notes other than Subordinated Notes, if "Put Option" is specified as being applicable in the applicable Final Terms, the Issuer shall, subject to compliance by the Issuer with all relevant laws, regulations and directives, at the option of the holder of any such Note, upon the holder of such Note giving such period of irrevocable notice as may be specified in the applicable Final Terms (which shall be not less than seven days) to the Issuer at such address as may be specified in the applicable Final Terms, redeem such Note on the date or dates so provided at its Redemption Amount (Put) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to the Notes of a nominal amount at least equal to the Minimum Nominal Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Nominal Redemption Amount to be redeemed specified in the applicable Final Terms.

For these purposes, "**Redemption Amount (Put)**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent. or (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount.

(e) *Redemption upon Capital Disqualification Event*

If this Condition 3(e) is specified as being applicable in the applicable Final Terms, then, following the occurrence of a Capital Disqualification Event and, in relation to Condition 6(d) Subordinated Notes, in the event that the Issuer is not able to substitute such Condition 6(d) Subordinated Notes in accordance with Condition 6(d) such that the Substitute Notes are eligible to be recognised in full (excluding for these purposes any non recognition as a result of the customary regulatory amortisation in the five years immediately preceding maturity or as a result of any applicable limitation in relation to the aggregate amount of Tier 2 capital of the Issuer at any time) as Tier 2 capital by the Lead Regulator applicable to the Issuer, the Issuer may, subject to the prior consent of the Lead Regulator applicable to the Issuer, within ninety days of the occurrence of the relevant Capital Disqualification Event and on giving not less than thirty nor more than sixty days' notice (ending, in the case of Floating Rate Notes or CMS-Linked Interest Notes, on an Interest Payment Date) to the Noteholders in accordance with Condition 8 (with a copy to the Fiscal Agent), at its option, redeem all, but not some only, of the Subordinated Notes at the Capital Disqualification Event Early Redemption Price, together with interest accrued and unpaid, if any, to the date fixed for redemption.

The notice given to the Noteholders pursuant to this Condition 3(e) shall contain a confirmation by the Issuer stating that a Capital Disqualification Event has occurred and is continuing and, in relation to Condition 6(d) Subordinated Notes, it is not able to substitute the Subordinated Notes in accordance with Condition 6(d) below such that the Substitute Notes are eligible to be recognised in full (excluding for these purposes any non recognition as a result of the customary regulatory amortisation in the five years immediately preceding maturity or as a result of any applicable limitation in relation to the aggregate amount of Tier 2 capital of the Issuer at any time) as Tier 2 capital by the Lead Regulator applicable to the Issuer, and such confirmation shall be conclusive and binding on the Noteholders.

In these Terms and Conditions:

a "**Capital Disqualification Event**" means an event that shall be deemed to have occurred if the Issuer determines, in good faith, and after consultation with the Lead Regulator applicable to the Issuer, at any time after the Issue Date, that by reason of the non-compliance with the applicable criteria for Tier 2 capital, the Subordinated Notes are fully excluded from Tier 2 capital of the Issuer (excluding, for these purposes, any non-recognition as a result of the customary regulatory amortisation in the five years immediately preceding maturity or as a result of any applicable limitation in relation to the aggregate amount of Tier 2 capital of the Issuer at any time); and

"**Capital Disqualification Event Early Redemption Price**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent. or (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount.

"**Tier 2 capital**" has the meaning given to it by the Lead Regulator applicable to the Issuer from time to time.

(f) *Redemption upon Target Early Redemption Event*

If "**Target Early Redemption Event**" is specified as being applicable in the applicable Final Terms, and if the Calculation Agent determines, as of the Target Determination Time on any relevant Target Determination Date, that a Target Early Redemption Event has occurred, the Notes shall be redeemed on the immediately following Target Mandatory Early Redemption Date at the Target Early Redemption Amount.

As soon as practicable and no more than 2 Business Days after the Calculation Agent has determined that a Target Early Redemption Event has happened, the Calculation Agent shall notify the Fiscal Agent and the Issuer thereof, whereupon the Fiscal Agent shall notify the Noteholders of the relevant Notes in accordance with Condition 8 below.

In these Terms and Conditions:

"**Cumulative Interest Amount**" shall mean with respect to any Target Mandatory Early Redemption Date, the sum, per Calculation Amount, as calculated by the Calculation Agent in its sole and absolute discretion, of (i) all Interest Amounts paid up to and including the Interest Payment Date preceding the relevant Target Mandatory Early Redemption Date plus (ii) the Interest Amount due to be paid on the Interest Payment Date falling on the relevant Target Mandatory Early Redemption Date.

"**Target Determination Date**" means each date specified as such in the applicable Final Terms.

"**Target Determination Time**" means the time specified as such in the applicable Final Terms.

"**Target Early Redemption Amount**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent. or (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount.

A "**Target Early Redemption Event**" shall have occurred if the Calculation Agent determines that the Cumulative Interest Amount is equal to or greater than the Target Level.

"**Target Level**" means an amount of interest, expressed as either a fixed amount per Calculation Amount or a percentage rate, specified as such in the applicable Final Terms.

"**Target Mandatory Early Redemption Date**" means each date specified as such in the applicable Final Terms.

(g) *Purchases*

The Issuer and any of its subsidiaries may at any time purchase Notes in the open market or otherwise at any price.

(h) *Cancellation*

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be cancelled, together with all Notes redeemed by the Issuer. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

4 Payments

(a) Principal and interest

Payment of principal and interest in respect of Notes will be made in accordance with the applicable rules and procedures of the X/N System, Euroclear, Clearstream, Luxembourg and any other X/N System participant holding interest in the relevant Notes, and any payment made by the Issuer to the X/N System will constitute good discharge for the Issuer. Upon receipt of any payment in respect of Notes, the X/N System, Euroclear, Clearstream, Luxembourg and any other X/N System participant, shall immediately credit the accounts of the relevant account holders with the payment.

(b) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or its agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 5. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) Appointment of Agents

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents and the Calculation Agent (together the "**Agents**") act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Terms and Conditions so require, (iii) a Paying Agent having its specified offices in a major European city, (iv) such other agents as may be required by the rules of any stock exchange on which the Notes may be listed and (v) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(d) Non-Business Days

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day, or as may be otherwise specified in the applicable Final Terms, nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of payment, in such jurisdictions as shall be specified as "**Business Day Jurisdictions**" in the applicable Final Terms and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

5 Taxation

(a) Tax Status

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes by the Issuer 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 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, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes 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 Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any payment in respect of any Note:

(1) *Other connection*: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Belgium other than the mere holding of the Note; or

(2) *Lawful avoidance of withholding*: to a holder who, at the time of issue of the Notes, was not an eligible investor within the meaning of Article 4 of the Royal Decree of 26 May 1994 on the deduction of withholding tax or to a holder who was an eligible investor at the time of issue of the Notes but, for reasons within the holder's control, ceased to be an eligible investor or, at any relevant time on or after the issue of the Notes, 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) *Other Paying Agent*: where the holder of such Notes would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another paying agent of the Issuer in a member state of the European Union;

(4) *Payment to individuals*: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of saving income or any other law implementing or complying with, or introduced in order to conform to, such Directive; or

(5) *Conversion into registered Notes*: to a holder who is liable to such withholding or deduction because the Notes were converted into registered Notes upon his/her request and could no longer be cleared through the X/N System.

Notwithstanding any other provision in these Terms and Conditions, the Issuer, clearing system or participant in a clearing system shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a clearing system or participant in a clearing system a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

As used in these Terms and Conditions, the "**Relevant Date**" in respect of any payment means whichever is the later of (x) the date on which such payment first becomes due and (y), (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of such moneys outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that such payment will be made.

References in these Terms and Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 3 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 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(a).

(b) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on the next Interest Payment Date or, if so specified in the applicable Final Terms, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount (together with interest accrued to the date fixed for redemption), if the Issuer would, on the occasion of the next payment due in respect of the Notes, be obliged for reasons beyond its control to pay additional amounts as provided or referred to in Condition 5(a) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then become due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two managing directors of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, 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.

6 Status and subordination

(a) *Status of Senior Notes*

The Senior Notes (being those Notes in respect of which the status is specified in the applicable Final Terms as "**Senior Notes**") relating to them are direct, unconditional and unsecured obligations of the Issuer and 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, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights and save for such obligations as may be preferred by laws of general application.

(b) *Status and Subordination of Subordinated Notes*

(i) *Status and Subordination*

Notes in respect of which the status is specified in the applicable Final Terms as "**Subordinated**" ("**Subordinated Notes**") constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

Subordinated Notes that constitute Tier 2 Capital will have a minimum maturity of five years.

In the case of Subordinated Notes, in the event of dissolution or liquidation of the Issuer (including the following events creating a "*concours de créanciers*" or "*samenloop*", bankruptcy ("*faillissement*/*faillite*") and judicial liquidation ("*gerechtelijke vereffening*/*liquidation forcée*") or voluntary liquidation ("*vrijwillige vereffening*/*liquidation volontaire*")) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), the rights of the holders of Subordinated Notes shall rank ahead of:

(x) those persons whose claims are in respect of any class of equity (including preference shares) of the Issuer; and

(y) creditors whose claims are in respect of any obligations of the Issuer that rank or are expressed to rank (whether only in the winding up of the Issuer or otherwise) junior to Subordinated Obligations,

but shall be subordinated to the claims of:

(z) all Senior Creditors of the Issuer.

(ii) Defined Terms

In this Condition:

"**Senior Creditors**" means all creditors of the Issuer who are depositors or other unsubordinated creditors; and

"**Subordinated Obligations**" means all indebtedness and monetary obligations of the Issuer present and future, including any guarantee by the Issuer, that rank or are expressed to rank junior in right of payment (whether only in the event of the winding up of the Issuer or otherwise) to the claims of Senior Creditors but that are not subordinated so as to rank in point of subordination junior to any other obligations of the Issuer.

(c) Subordinated Notes: Deferral of Payments

In the case of Subordinated Notes in relation to which this Condition 6(c) is specified in the applicable Final Terms as applying, the Issuer shall be entitled, by notice in writing to the Noteholders in accordance with Condition 8 (a "**Deferral Notice**"), to defer the due date for payment of any repayment of principal or payment of interest in respect of such Notes, and, accordingly, on the giving of such Notice the due date for payment of the relevant repayment or payment (the "**Deferred Payment**") shall be so deferred and the Issuer shall not be obliged to make payment thereof on the date the same would otherwise have become due and payable, and such deferral of payment shall not constitute a default by the Issuer. The Issuer may only give a Deferral Notice in circumstances where if it were to make payment of the Deferred Payment it would not be in compliance with the capital adequacy requirements applied to it by the Lead Regulator applicable to the Issuer. Interest will accrue on principal deferred as aforesaid in accordance with the provisions of these Terms and Conditions and the Agency Agreement, save that such interest shall only become due and payable at such time as the principal in respect of which it has accrued becomes due and payable under the following sentence. No interest shall accrue on any interest deferred. Promptly upon being satisfied that the Issuer may make payment of the Deferred Payment or a part of it and be in compliance with the capital adequacy requirements applied to it by the Lead Regulator applicable to the Issuer, the Issuer shall give to the

Noteholders written notice thereof in accordance with Condition 8 (the "**Payment Notice**") and the relevant Deferred Payment (or the appropriate part of it) shall become due and payable on the seventh day after the date of such Payment Notice.

(d) *Subordinated Notes: Substitution*

In the case of Subordinated Notes in relation to which this Condition 6(d) is specified in the applicable Final Terms as applying (such Subordinated Notes, the "**Condition 6(d) Subordinated Notes**"), the Issuer may at its sole discretion and without the consent of the Noteholders by not less than thirty days' nor more than sixty days' notice to the Noteholders in accordance with Condition 8 (with a copy to the Fiscal Agent), designate a date (such date, the "**Effective Date**") on which all, but not some only, of the relevant Series of Subordinated Notes then outstanding (such notes referred to herein as the "**Existing Notes**") shall be replaced with new notes (the "**Substitute Notes**") which are Qualifying Securities, **provided that**:

If the Issuer elects to substitute the Existing Notes for Substitute Notes in accordance with preceding paragraph, then no further amounts shall be payable in respect of the Existing Notes from the Effective Date but without prejudice to the rights of the holders of the Substitute Notes delivered in exchange therefor. The Issuer shall give, in the notice designating the Effective Date, details of the procedure that Noteholders must follow in order to exchange their Existing Notes for Substitute Notes. Any substitution under this Condition 6(d) shall be made in accordance with the Agency Agreement.

Notwithstanding anything to the contrary contained in these Terms and Conditions, the substitution referred to in this Condition 6(d) shall be effective without the consent of the Noteholders.

In these Terms and Conditions:

"**Bank Recovery and Resolution Rules**" means any relevant laws or regulations applicable to the Issuer pursuant to, or which implement, or are enacted within the context of, a directive or regulation of the European Parliament and of the European Council establishing an EU wide framework for the recovery and resolution of credit institutions and investment firms, a revised draft of which was published by the European Commission on 18 December 2013 and approved by the European Parliament on 15 April 2014, or such other resolution or recovery rules which may from time to time be applicable to the Issuer.

"**Lead Regulator applicable to the Issuer**" means the National Bank of Belgium or any successor entity primarily responsible for the prudential supervision of the Issuer.

"**Moody's**" means Moody's France S.A.S. or any affiliate thereof.

"**Qualifying Resolution Regime**" means a legal regime effective in Belgium as set out in national law (which, for the avoidance of doubt, may include – but is not limited to – the Bank Recovery and Resolution Rules), the rules or guidelines of the Lead Regulator applicable to the Issuer or directly applicable European Union requirements, as applicable, pursuant to which securities are to be written off and/or converted to the ordinary shares of the issuer thereof if the issuer is determined to be no longer viable.

"**Qualifying Securities**" means subordinated securities issued directly or indirectly by the Issuer which comply with all of the following requirements (as determined by the Issuer in good faith which determination shall be conclusive and binding on the Noteholders):

(a) such securities are (subject to sub paragraphs (b) to (f) below) securities which are eligible in full (excluding for these purposes any non recognition as a result of the customary regulatory amortisation in the five years immediately preceding maturity or as a result of any applicable limitation in relation to the aggregate amount of Tier 2 capital of the Issuer at any time) as Tier 2 capital under the rules or guidelines of the Lead Regulator applicable to the Issuer, and will not, at the time of issuance, become subject to a Capital Disqualification Event;

(b) subject to the provisions of this sub paragraph (b) and sub paragraphs (c) to (f) below, the terms and conditions of such securities are identical to the terms and conditions of the Existing Notes (save for the Issue Date), including, for the avoidance of doubt, as to the status and subordination of the Notes, as to rates of interest and interest payment dates, as to rights to accrued interest in respect of the Existing Notes which has not been paid and as to rights to any other amounts which would have been payable in respect of the Existing Notes, including any rights to receive additional amounts under Condition 5 (Taxation), as to maturity date and as to redemption conditions, and further, the terms and conditions of such securities may not contain any contractual provision providing for loss absorption pursuant to which the principal amount in respect of the Substitute Notes may be written off and/or converted to the ordinary shares of the issuer of such securities, in the event of non viability of the Issuer;

(c) such securities may contain information with respect to the Qualifying Resolution Regime or the rules or guidelines of the Lead Regulator applicable to the Issuer in this regard to which such securities are subject, if such information is necessary for such securities to qualify as Tier 2 capital under the rules or guidelines of the Lead Regulator applicable to the Issuer provided that such securities may be subject to the provisions of a Qualifying Resolution Regime only to the extent that, immediately prior to such substitution, the Existing Notes were subject to such Qualifying Resolution Regime;

(d) the Issuer has received an opinion of a recognised independent tax counsel confirming no event specified in Condition 5 has occurred or is anticipated to occur as a result of the relevant substitution (taking into account any anticipated changes to the relevant guidelines of the Belgian tax authorities at such time);

(e) such securities are (or will upon issue be) listed on the regulated market of a recognised stock exchange to the extent that the Existing Notes were so listed immediately prior to such substitution; and

(f) such securities are (or are, upon issue, expected to be), in the opinion of the Issuer in consultation with the relevant Rating Agency, assigned or maintain (if any credit ratings were assigned to the Existing Notes immediately prior to such substitution), at a minimum, the same credit ratings which were assigned to the Existing Notes immediately prior to such substitution.

"**Rating Agency**" means each of Moody's and S&P or their respective successors.

"**S&P**" means Standard & Poor's Credit Market Services France S.A.S. or any affiliate thereof.

7 Substitution

The Issuer or any previous substituted company, may at any time, without the consent of the Noteholders, substitute for itself as principal debtor under the Notes, any company (the "**Substitute**") provided that:

(1) the substitution is made by a deed poll or by execution of such other documentation as the Issuer determines is appropriate to give effect to such substitution;

(2) no payment of principal of, or interest on, the Notes is at the time of such substitution overdue;

(3) the Substitute assumes all obligations and liabilities of the substituted Issuer in its capacity as debtor arising from, or in connection with, the Notes and the substitution is subject to BELFIUS BANK irrevocably and unconditionally guaranteeing on a senior basis (in the case of Senior Notes) or on a subordinated basis (in the case of Subordinated Notes) the obligations of the Substitute;

(4) the Substitute becomes a party to the Agency Agreement, with any appropriate consequential amendments, and assumes all the obligations and liabilities of the Issuer in its capacity as debtor under the Notes contained therein and shall be bound as fully as if the Substitute had been named therein as an original party;

(5) the Substitute shall, by means of the deed poll or by execution of such other documentation as the Issuer determines is appropriate, agree to indemnify the holder of each Note against any tax, duty, fee or governmental charge that is imposed on such holder by the jurisdiction of the country of its residence for tax purposes and, if different, of its incorporation or any political subdivision or taxing authority thereof or therein with respect to any Note and that would not have been so imposed had it not been substituted as the principal debtor and any tax, duty, fee or governmental charge imposed on or relating to such substitution and any costs or expenses of such substitution;

(6) the Substitute obtains all necessary governmental and regulatory approvals and consents, takes all actions and fulfils all conditions necessary for such substitution and to ensure that the deed poll or other document executed to give effect to the substitution and the Notes represent valid, legally binding and enforceable obligations of the Substitute;

(7) the Substitute shall cause legal opinions to be delivered to the Noteholders (care of the Fiscal Agent) from lawyers with a leading securities practice in Belgium, England and the jurisdiction of the Substitute confirming the validity of the substitution and the continuance or giving of the guarantee referred to in sub-Clause (3) above;

(8) the Issuer shall have given at least 14 days' prior notice of a proposed substitution to the Noteholders, such notice to be published in accordance with these Terms and Conditions, stating that copies, or pending execution, the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to the Noteholders, shall be available for inspection at the specified office of the Fiscal Agent and each of the other Paying Agents.

References in Condition 11 to obligations under the Notes shall be deemed to include obligations of the Substitute under the deed poll or other documentation executed in order to give effect to the substitution.

8 Notices

All notices to holders of Notes shall be validly given if (i) delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the X/N System, (ii) in the case of Notes held in a securities account, through a direct notification through the applicable clearing system, or (iii) in the case of Notes held in a securities account with BELFIUS BANK, through a direct notification in the account statements.

For so long as Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require, such notices shall be published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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.

In addition to the above publications, with respect to notices for a meeting of Noteholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Companies Code, by an announcement to be inserted 15 days prior to the meeting, in the Belgian State Gazette ("*Moniteur belge/Belgisch Staatsblad*") and in one Belgian newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice. In addition, the convening notice shall specify the procedures in respect of voting on resolutions to be decided by the meeting.

9 Prescription

Claims against the Issuer for payment in respect of the Notes 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.

10 Meeting of Noteholders and Modification to Agency Agreement

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Terms and Conditions.

Meetings of Noteholders may be convened to consider matters relating to Notes, including the modification or waiver of any provision of the Terms and Conditions applicable to any relevant Series of Notes. Any such modification or waiver may be made if sanctioned by an Extraordinary Resolution. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of BELFIUS BANK. An "**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with these Terms and Conditions and the Belgian Companies Code by a majority of at least 75 per cent. of the votes cast.

All meetings of Noteholders will be held in accordance with the provisions of Article 568 et seq. of the Belgian Companies Code with respect to bondholders' meetings. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one fifth of the aggregate principal amount of the outstanding Notes. A meeting of Noteholders will be entitled (subject to the consent of the Issuer) to exercise the powers set out in Article 568 of the Belgian Companies Code and generally to modify or waive any provision of the Terms and Conditions applicable to any Series of Notes (including any proposal (i) to modify the maturity of a Series of Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders) in accordance with the quorum and majority requirements set out in Article 574 of the Belgian Companies Code, and if required thereunder subject to validation by the court of appeal. Resolutions duly passed in accordance with these provisions shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Noteholders shall be made in accordance with Article 570 of the Belgian Companies Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium.

These Terms and Conditions may be completed in relation to any Series of Notes by the terms of the applicable Final Terms in relation to such Series.

(b) *Modification of Agency Agreement*

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) *Written Resolutions*

A written resolution signed by the holders of 75 per cent. in nominal amount of the Notes outstanding shall take effect as if it were an Extraordinary Resolution. Such a resolution 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.

11 Events of Default

If any of the following events ("**Events of Default**") occurs (and, in the case of Senior Notes, is continuing), the holder of any Note may give written notice specifying the Event of Default to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable (unless, in the case of Senior Notes, such Event of Default shall have been remedied prior to the receipt of such notice by the Fiscal Agent):

(A) **Subordinated Notes**: In the case of Subordinated Notes, in the event of a dissolution or liquidation of the Issuer (including, without limitation, the following events creating a "*concours de créanciers*" or " *samenloop van schuldeisers* ": bankruptcy ("*faillite*" or "*faillissement*"), liquidation (whether voluntary or involuntary) ("*liquidation forcée*" *ou* "*liquidation volontaire*" or "*vrijwillige of gerechtelijke vereffening*") (other than a voluntary liquidation in connection with a reconstruction, merger, split-off or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), dissolution ("*ontbinding/liquidation*"), moratorium of payments ("*surseance van betaling*" or "*uitstel van betaling" or "moratoire*") and other measures agreed between the Issuer and its creditors relating to the Issuer's payment difficulties, or an official decree of such measures).

(B) **Senior Notes**: In the case of Senior Notes

(a) *Non-Payment:* default is made for a period of more than 15 days in the payment of principal and in the payment of interest in respect of any of the Senior Notes; or

(b) *Breach of other obligations*: default by the Issuer in the due performance or observance of any obligation, condition or other provisions under or in relation to the Senior Notes, if such default is not cured within 60 days of receipt by the Fiscal Agent of written notice of default given by the holder of any Senior Note; or

(c) *Winding-Up*: the Issuer shall be dissolved or wound up or otherwise shall cease to exist prior to the redemption of all outstanding Senior Notes (except for the purpose of a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer); or

(d) *Insolvency*: the Issuer becomes insolvent, is unable to pay its debts generally is in "*cessation de paiements*" ("*staking van betaling* ") or as they fall due, or stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or ceases or threatens to cease to carry on its business, or proposes or makes a general assignment or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer, or if BELFIUS BANK applies for a "*sursis de paiements*" or "*uitstel van betaling*", "*liquidation volontaire*" or "*vrijwillige vereffening*" or "*faillite*" or "*faillissement*" or any similar procedures shall have been initiated in respect of the Issuer (except if any of the events described in this paragraph (d) occurs in a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer); or

(e) *Illegality*: it becomes unlawful for the Issuer to perform any of its obligations under the Senior Notes or, any of its obligations thereunder ceases to be valid, binding or enforceable.

In these conditions "**Redemption Amount**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent., (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount, or (iii) if "**Amortised Face Amount**" is specified in the applicable Final Terms, an amount calculated in accordance with Condition 3(b) above.

12 Further Issues

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

13 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by 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 Note 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 Note, 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 13, 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 from the Issuer's other obligations, 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 Note or any other judgment or order.

14 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

15 Governing Law and Jurisdiction

(a) Governing Law

The Notes (other than any matter relating to title to, and the dematerialised form of, such Notes) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law save that (i) any matter relating to title to, and the dematerialised form of, such Notes, and any non-contractual obligations arising out of or in connection with title to, and any matter relating to the dematerialised form of, such Notes and (ii) in relation to Subordinated Notes, Conditions 3(e) and 6 shall be governed by, and construed in accordance with, Belgian law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes including any legal action or proceedings relating to any non-contractual obligations arising therefrom and accordingly any legal action or proceedings arising out of or in connection with any Notes including any disputes relating to any non-contractual obligations arising therefrom ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process

The Issuer irrevocably appoints Dexia Management Services Ltd of 200 Aldersgate Street, 13th Floor, London EC1A 4HD, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 8. Nothing shall affect the right to serve process in any manner permitted by law.

CLEARING

The Notes are in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code. The Notes will be represented by a book entry in the records of the settlement system operated by the National Bank of Belgium or any successor thereto (the "**X/N System**"). The Notes can be held by their holders through the participants in the X/N System, including Euroclear and Clearstream, Luxembourg, and through other financial intermediaries which in turn hold the Notes through Euroclear, Clearstream, Luxembourg or other participants in the X/N System. Possession of the Notes will pass by account transfer.

Payments of principal, interest and other sums due under the Notes will be made in accordance with the rules of the X/N System through the NBB, in case of Notes denominated in euro, or through Euroclear, Clearstream, Luxembourg and the other participants in the X/N System recorded in the X/N System as holding interests in the Notes, in case of Notes denominated in any other currency, and any payment so made will constitute good discharge for the Issuer. Noteholders are entitled to claim directly against the Issuer any payment which the Issuer has failed so to make, and to exercise their voting rights and other associative rights (as defined for the purposes of Article 474 of the Belgian Companies Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, Luxembourg, or another participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Notes (or the position held by the financial institution through which their Notes are held with the NBB, Euroclear or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by BELFIUS BANK for its general corporate purposes.

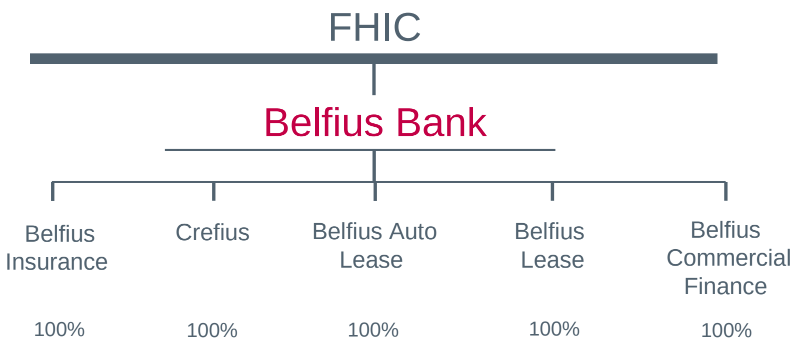
DESCRIPTION OF THE ISSUER

BELFIUS BANK profile

Belfius Bank SA/NV (previously Dexia Bank Belgium SA/NV) (the "**Issuer**" or "**BELFIUS BANK**”) is a public limited company (*naamloze vennootschap/société anynome*) of unlimited duration incorporated under the Belgian law of 23 October 1962 which collects savings from the public. It is registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185 and has its registered office at 1000 Brussels, Boulevard Pachéco 44, Belgium, telephone +32 22 22 11 11.

BELFIUS BANK is a Belgian banking and insurance group wholly owned by the Belgian federal state through the Federal Holding and Investment Company (FHIC). BELFIUS BANK shares are not listed.

Simplified Group structure (as at the date of the Prospectus)



Mission and Ambitions

As the only integrated, 100% Belgian bank and insurance company, BELFIUS BANK focuses on establishing a strong, local relationship with customers and creating added value for the community, together with our customers and partners.

Partner of society

Belfius seeks to excel in its community involvement by investing in key areas such as housing, retirement homes and hospitals, public infrastructure, education, energy, mobility and the local economy.

Focus on customer satisfaction

Belfius aims to develop in line with, and based on the needs of, its customers so that it can provide them with appropriate, innovative, tailor-made solutions at the right time and through the right channels.

Committed, proud staff

Belfius wants to become an attractive employer by giving people opportunities and responsibilities and by putting their passion and expertise towards finding solutions that work for the benefit of customers and society alike.

Financially sound

Belfius aims to establish an ongoing healthy financial profile, as well as a strong position in terms of liquidity and solvency. For this reason, Belfius conducts a prudent policy on risk.

Operationally efficient

Belfius is making every effort to boost efficiency by simplifying its structures and processes and by enabling the business lines to work together to optimum effect.

Activities

Commercial activities are essentially organised around three business lines: Retail and Commercial Banking, Public and Wholesale Banking, and Insurance.

(A) Retail and Commercial Banking

The Retail and Commercial Banking business line offers a comprehensive range of retail, commercial and private banking products, as well as insurance services to:

- 3.2 million individual customers; and
- 0.3 million "Business" customers. This segment combines the self-employed and professionals, as well as small and medium-sized enterprises that have a turnover or total balance sheet of less than EUR 10 million.

At the end of 2013, BELFIUS BANK's distribution network extended to 772 branches. More than 500 of these operate using the open-branch concept, placing the emphasis on advising customers. These open branches are divided into three zones: self-service, information and services, as well as advice. A key feature of this branch design is the absence of teller windows. Most transactions in cash are conducted in the automated self-service space within the branch. The design is all about providing maximum ease of access and personalised contact with customers.

Belfius ATMs cater for 1.5 million active users a month, which translates into 8.4 million monthly interactions. The proportion of transactions carried out at ATMs is high: 93% of all deposits and 99% of all withdrawals are made at an automatic teller machine, which demonstrates the success of the concept.

Belfius is also totally accessible through digital channels and the popularity of these channels continues to grow. Belfius Direct Net, the bank's online portal, services 0.9 million active users, which represents 6.3 million interactions each month. Belfius Direct Mobile is experiencing growing success, which has been boosted further since the introduction of a highly effective new version in December 2012 for Smartphones and in May 2013 for tablets (165,000 active users at 31 December 2013).

Direct telephone communications are another major point of contact with customers, and the contact centre records some 30,000 incoming calls a month.

In 2013, Belfius introduced Belfius Pulse Start. It offers its customers the best of both worlds by combining mobile banking with personalised advice – all in one completely integrated package.

This business line provides a full range of products to customers, including payment products, loans, savings products, investments and insurance.

Payment products come in the form of *packages* of current accounts linked to a debit card or credit card, plus additional insurance cover, depending on the level of service selected: *blue, red, gold, platinum* and *white*. The granting of a credit card is subject to acceptance through a standard risk management process. Customers can also opt for a MasterCard Prepaid, enabling them to make payments in total security within the limit set for their budget, anywhere in the world and also online. Business customers can also enjoy additional services that correspond to their needs (such as cashflow management).

With its range of credit products, Belfius mainly offers mortgage loans at fixed or variable interest rates, with terms usually ranging from 10 to 20 years. The bank also markets consumer loan products in the form of car loans, personal loans and green loans. The activity surrounding the granting of loans is carefully monitored by the code of conduct issued by the "Professional Credit Union". Tailored loans are provided for the Business segment. This includes tax funding, operating capital facilities (particularly Belfius Business Cash+) and investment loans.

Savings and investment products fall into two categories: balance sheet products (financing the bank's assets) or off-balance sheet products. Balance sheet products include classic and online savings accounts, current and term accounts, savings certificates and bonds issued by Belfius (*Belfius Funding Notes*) and placed with retail customers. Off-balance sheet products are made up of mutual funds, shares and (euro)bonds issued by third parties, as well as Belfius Insurance Branch 21, Branch 23 and, more recently, Branch 44 insurance products.

BELFIUS BANK also offers its customers all of the classic and innovative life and non-life insurance products provided by Belfius Insurance.

With a market share estimated at 13% for both savings accounts and mortgage loans, Belfius' market share remains stable overall.

Despite a still challenging macroeconomic environment, the bank's commercial business was highly dynamic, with total customer assets recording a 2% rise in 2013 to EUR 93.7 billion. On the deposits side of the ledger, historically low interest rates prompted customers to adopt a wait-and-see attitude. The result was lower investment levels in long-term investments (savings bonds fell 14.3%, while bonds issued by Belfius were down 11.5%). However, there was a good rise in assets in current accounts and savings accounts, which reached EUR 6.9 billion (+12.3%) and EUR 33.8 billion (+6.1%) respectively as at 31 December 2013. In total, deposits amounted to EUR 61.5 billion at the end of 2013, down slightly (-0.7%) compared with the end of December 2012.

However this slight decline in deposits was largely offset by the fine performance recorded by off-balance sheet assets, which rose by 11.9% compared with the end of December 2012, reaching EUR 21 billion due to increasing customer preference for products offering higher returns (for example, mutual funds).

Technical life insurance reserves reached EUR 11.2 billion, which was a slight increase of 1.4% compared with the end of 2012. Investments in Branch 21 life insurance were under pressure due to low rates and the rise in taxes on premiums to 2%. However, this fall was offset by the success of the new Branch 44 product, Belfius Invest Top Funds Selection, introduced in June 2013.

Loans granted to customers remained stable in 2013, at EUR 33.5 billion at the end of December 2013. This was for all types of loans. Mortgage loans, which represent almost two-thirds of the total loans granted, were EUR 21 billion at the end of December 2013, while consumer loans and business loans were at EUR 1.6 billion and EUR 9.9 billion respectively.

(B) Public and Wholesale Banking

The Public and Wholesale Banking business line offers a comprehensive range of banking products and services essentially to two complementary groups of customers: public and social sector entities (Public and Social Banking), and medium and large companies (Corporate Banking).

The Public and Social Banking segment, which has a total of 12,000 customers, works on behalf of local public bodies (for example, municipalities, provinces, police areas, Public Centres for Social Welfare), supra-local public entities (for example, communities of municipalities), dependent entities at a community, regional or federal level, as well as a wide range of other public sector organisations.

This segment also includes entities associated with healthcare (for example, hospitals and retirement homes), customers in the field of education (such as universities and schools), the housing sector and also customers such as foundations, social secretariats and pension funds.

The second segment, the Corporate Banking division, serves some 6,000 medium and large corporates (representing approximately 2,700 separate commercial groups) with an annual turnover or balance sheet total in excess of EUR 10 million.

The Public and Social Banking network has some 40 relationship managers located in three regions. Smaller clients (approximately 6,000) are serviced by the branch network of the Retail and Commercial Banking business line. The Corporate Banking commercial network has 49 relationship managers spread across six regions.

Within the two segments, the relationship manager is the reference person, or "hub", of the commercial relationship with the customer. He is the only contact person, enjoying a relationship of trust with the customer over time. The relationship manager may at any time call on experts, the so-called "spokes", for the different product lines, whether that be for investments, loans, insurance, leasing, electronic banking or cash management. This "hub and spoke" model is at the heart of the business line's commercial dynamic.

The product range consists firstly of classic banking products such as short and long-term loans, cash-flow management, investment management, electronic banking services, trading room products and various finance or operating lease solutions through the subsidiaries Belfius Lease or Belfius Auto Lease.

Customers of the public and social banking segment also benefit from a range of very specific products and services, such as social accounts, advanced cash-flow solutions and active debt management or long-term financing solutions that are in accordance with their own needs, whether in the form of long-term loans or bonds.

For corporate banking customers, there are specific solutions associated with the public authority debt funding (Business-to-Government – B2G), international cash management solutions, "asset finance" solutions (leasing, car leases and commercial finance) as well as expertise in terms of project finance and structured finance.

Eager to provide its customers with true added value, BELFIUS BANK constantly adapts the range of products and services offered to them so as to meet their needs and any requirements specific to them in a way that is both effective and practical.

BELFIUS BANK remains the reference banker for public and social banking customers. In the corporate banking market, the bank aims its services primarily at medium-sized corporates operating in Belgium, as well as the many companies that offer their services to the public authorities (B2G offering).

Throughout 2013, BELFIUS BANK remained faithful to its primary mission of being the bank "of and for the Belgian society", continuing more than ever to fulfil its role of financier for the Belgian economy. This commercial dynamic was demonstrated by BELFIUS BANK granting EUR 2.4 billion in new long-term funding to the public and social sectors and EUR 2.1 billion in new loans to corporates in 2013, as well as by the implementation of numerous local initiatives.

Despite the challenging economic environment, BELFIUS BANK continued to support local authorities and can rightfully claim to be the only bank that responds systematically to all tender calls. In doing so, BELFIUS BANK fully plays its role as a partner by reinvesting Belgian savings in numerous projects presenting significant added value for the community (public buildings, schools, crèches, hospitals, road networks, etc.).

As at 31 December 2013, total savings and investments amounted to EUR 26 billion, down 7.3% compared with the end of 2012. The fall in deposits to EUR 18 billion at the end of December 2013 was due entirely to the seasonal effect, with the end of the year seeing significant temporary withdrawals by social security organisations. These outflows were entirely regained at the beginning of 2014**.**

Total outstanding loans were down slightly (-1.4%) at EUR 43.3 billion. This fall was attributable entirely to generally low demand and increased competition on the corporate banking market. Outstanding loans in the public and social banking segment were up slightly, reaching EUR 34.7 billion at the end of December 2013.

Off-balance sheet commitments were down EUR 3.2 billion over the year to EUR 16.3 billion at the end of December 2013, reflecting the bank's active management, in partnership with the customer, of unused credit lines. In the context of the introduction of the new Basel III regulation, banks are subject to much more stringent regulatory ratios, both in terms of capital and liquidity. In the Public and Wholesale Banking business line, active collaboration with customers enabled credit lines to be optimised, particularly off-balance sheet, by making the customer's actual needs correspond better in terms of financing with the amount of lines needed for the customer's development.

(C) Insurance

Belfius Insurance, a subsidiary of BELFIUS BANK, offers customers of the Retail and Commercial Banking (individuals, the self-employed, small and medium-sized enterprises) and Public and Wholesale Banking (public and social sector entities, medium and large enterprises) business lines a varied range of life and non-life insurance products.

Belfius Insurance holds fifth position[2] on the Belgian insurance market.

In order to offer an optimum response to the specific needs of different customer segments, Belfius Insurance relies on several brands and distribution channels.

In Belgium, for Retail customers, Belfius Insurance combines the advantages of the exclusive agents network of DVV Insurance with those of the BELFIUS BANK branch network, whilst also relying on Corona Direct, a direct insurer active via the internet and "affinity partners"[3].

Through the bank-insurance channel, Belfius Insurance addresses individuals, the self-employed and SMEs in search of solutions (for life and for non-life insurance products) via their BELFIUS BANK branch. In the future, Belfius Insurance aims to make even more of the growth potential of the bank-insurance channel and to work more through the concept of "one stop shopping".

DVV Insurance has been a benchmark for more than 80 years, both for life and for non-life insurance. Through their 333 points of sale, each with exclusive advisers, DVV Insurance offers 357,598 households – individuals, the self-employed and small enterprises – a complete range of insurances, mortgage loans and a widely renowned and first-class tailored service.

[2] Data 2012 – Assuralia. 2013 data are not yet available.

[3] Affinity partners are external parties with which Corona collaborates and which offer Corona insurance products. For instance, these are car dealers (for motor insurance) and undertakers (for funeral insurance).

Corona Direct has operated as a direct insurer since 1974. It offers its 174,000 customers family, car, home, funeral and other insurances either directly (by internet, telephone or mailing) or via its "affinity partners". The strength of Corona Direct rests in its strong client service and ability to innovate, for instance with its kilometre-linked vehicle insurance.

For Public and Wholesale Banking customers, Belfius Insurance collaborates with BELFIUS BANK and also with specialist brokers. By virtue of its unique experience in the field of insurances for the public and non-profit sectors, Belfius Insurance has become a benchmark in those sectors, for which over the years it has developed a complete range of very specific life and non-life insurance products.

Since 2012, this multi-channel approach has also involved the Elantis brand, which offers mortgage loans through independent brokers. Elantis aims to position itself as a new and important distribution channel for the insurer and to strengthen the position of Belfius Insurance on the mortgage market.

In Luxembourg, Belfius Insurance offers its investement and insurance products through the subsidiary International Wealth Insurer (IWI).

The range of products for Retail customers includes classic non-life insurance: car insurance (third party and comprehensive), third party civil liability insurance, fire insurance, and miscellaneous risks insurance. In addition, life insurances such as pension savings, mixed life insurances, savings insurances, guaranteed income cover, death insurances, credit balance insurance linked to mortgage loans and Branch 23 investment products are also offered. By virtue of this complete range, Belfius Insurance plays its role as a locally anchored insurer aiming at protecting Belgian families, maintaining their income levels and increasing their assets.

Public and Wholesale Banking customers have a choice of professional insurances, fire insurance, guaranteed income cover, group hospitalisation insurance, group insurance, company executive insurance, investment products and specific tailored solutions.

Belfius Insurance has a market share of 7.4% on the Belgian market (8.7% in the Life segment and 4.9% in the Non-Life segment)[4]. Belfius Insurance attaches great importance to customer satisfaction: the insurer endeavours to be close to its customers, offering them professional and personalised advice and aiming always for optimum efficiency in this regard.

In 2013, total gross written premiums were EUR 2,156 million, against EUR 2,484 million in 2012.

Life insurance premiums amounted to EUR 1,612 million, against EUR 1,953 million in 2012. This fall arose mainly in Belgium (-29%) and is due to the persistence of low interest rates and the increase of insurance premium tax since January 2013.

The Luxembourg market is performing well, with written premiums almost doubling in 2013 to EUR 354 million. In 2012, sales via the banking channel of Banque Internationale à Luxembourg ceased as a consequence of the general economic climate and the Dexia image crisis. Since then, IWI has developed a new business model and production has picked up. This is relatively diversified, both in terms of the number of distribution partners and types of market.

Life insurance reserves remained stable at EUR 20.3 billion at the end of 2013, against EUR 20.4 billion in 2012, despite a difficult context marked by low rates and unfavourable taxation. By product, there was a slight fall in Branch 21 reserves, whilst those for Branch 23 increased following the launch of Belfius Invest Top Funds Selection, a new Branch 44 product, and as a consequence of the sharp increase in written premiums at IWI.

[4] Data 2012 – Assuralia. 2013 data are not yet available.

2013 Results

BELFIUS BANK posted a consolidated net profit of EUR 445 million in 2013. Operating profitability increased thanks to new commercial initiatives and an ambitious savings plan. Belfius also invested some EUR 10 billion exclusively in the Belgian economy through granting loans to individuals, local authorities and SMEs.

Net profit from commercial business rose by 63.9% in 2013 to EUR 508 million.

The Legacy, including the bond portfolio and the exposure to Dexia, had a negative contribution of EUR 63 million to the 2013 net profit, mainly due to high funding costs.

Commercial results of EUR 508 million, after deduction of the negative contribution of Legacy-activities, generated a consolidated net profit of EUR 445 million for Belfius in 2013. That is an increase of 5.7% compared with 2012. The main underlying reasons for this were:

- Net fee and commission income increased by 19.2% to EUR 376 million.
- Belfius Insurance performed strongly, with a net result up from EUR 59 million to EUR 215 million and an "economic" combined ratio[5] standing at 98.7%.
- Costs were kept under strict control (costs down by 10.1%) through a disciplined implementation of the cost-cutting plan approved and introduced in 2013.
- Cost of risk remained low and was even positive due to the write-back of provisions resulting from the tactical de-risking of the Legacy.

Belfius' total balance sheet has been reduced by 25.3% since September 2011, to EUR 183 billion as of 31 December 2013, without adversely affecting the development of its commercial business.

Total shareholders' equity doubled from EUR 3.3 billion at the end of 2011 to EUR 6.6 billion at the end of 2013.

The outstanding de-risking carried out by Belfius combined with the reported profit resulted in a substantial improvement of the solvency position:

– The Basel II Tier 1 ratio stood at 15.4% at the end of 2013 (compared to 13.3% at the end of 2012). The capital adequacy ratio stood at 16.5% at the end of 2013 compared to 13.8% at the end of 2012.

– As at 1 January 2014, the Basel III (CRR) pro forma Common Equity solvency ratio (phased-in) was estimated at 13.5%. As at 31 December 2013, the Basel III (CRR) pro forma Common Equity solvency ratio (fully-fledged) was estimated at 11.7%[6].

Ratings

At 31 March 2014, BELFIUS BANK had the following ratings:

	Long-term rating	Outlook	Short-term rating
Fitch	A-	Negative	F1
Moody's	Baa1	Stable	Prime-2

[5] The "economic" combined ratio is the total combined ratio (i.e. the claims ratio + commission fees + costs + reinsurance) adjusted with non-"recurrent" elements (such as VAT on legal fees).

[6] The NBB decided, on a temporary basis (until the implementation of IFRS 9), to grant a national option allowing not to take account of the AFS reserve on the sovereign portfolio for an amount of 5% of this portfolio. The NBB also accepted the rules on financial conglomerates (Danish compromise).

Standard and Poor's	A-	Negative	A-2

Other information

The Issuer is not dependent on any of its subsidiaries, save for Belfius Insurance SA/NV. Belfius Insurance SA/NV holds the licences required for insurance undertakings, and BELFIUS BANK consequently relies on it for the insurance activities carried out by it.

There is no arrangement known to BELFIUS BANK, the operation of which may at a subsequent date result in a change of control of BELFIUS BANK.

There are no recent events particular to BELFIUS BANK which are, to a material extent, relevant to the evaluation of its solvency.

Management and Supervision of BELFIUS BANK

Composition of the management board and the board of directors

1. ***Management board***

The management board currently has six members who have all acquired experience in the banking and financial sector. The members of the management board form a college.

As of the date of this Prospectus, the management board has consisted of the following six members:

Name	Position	Major other functions performed outside BELFIUS BANK
Marc Raisière	chairman	none
Dirk Gyselinck	member	none
Eric Hermann	member	none
Luc Van Thielen	member	none
Dirk Vanderschrick....................................	member	none
Johan Vankelecom.....................................	member	none

The above members of the management board have their business address at 1000 Brussels, Boulevard Pacheco 44, Belgium.

The board of directors has delegated the management of the bank's business to a management board created from among its members.

Such delegation of its powers does not extend to supervision of the management or the business position of the bank, or to the determination of general policy, or to any other powers that are reserved under the law to the board of directors.

The management board is responsible for the management of the bank whose various business lines and support activities it runs and co-ordinates, and for doing so in the light of the objectives and general policy laid down by the board of directors. The management board ensures that BELFIUS BANK's business activities are in line with the strategy, risks and policies approved by the board of directors. It passes on relevant information to the board of directors to enable it to take informed decisions.

The management board delivers a prior opinion on all proposals that are to be discussed in the board of directors or the strategy committee in relation to the strategy or general policy of the bank, regardless of whether those proposals emanate from the chairman of the management board or from other directors.

The members of the management board must carry out their duties in complete objectivity and independence and as a result may not serve exclusively the interests of the shareholders. This implies that the necessary conditions must be met in order to carry out the functions of a bank in a stable and continuous manner.

Subject to the supervision of the board of directors, the management board takes the necessary measures to ensure that the bank has a management structure that is suited to the activities it pursues or intends to pursue, as well as an administrative and book-keeping organisation, systems of control and security relating to electronic data processing and internal audit.

The management board oversees the line management and the performance of the powers and responsibilities that have been assigned as well as reporting procedures.

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*

In accordance with Belgian law governing Belgian *sociétés anonymes/naamloze vennootschappen* and the articles of association of BELFIUS BANK, BELFIUS BANK is managed by its board of directors, which is entitled to take any action the right to which is not expressly reserved to the general meeting of shareholders of BELFIUS BANK by law or the articles of association of BELFIUS BANK. In accordance with Belgian banking law, the board of directors may delegate all or part of its powers, provided that such delegation does not affect either the determination of general policy or any actions which are reserved to the board of directors by law.

The board of directors of BELFIUS BANK has delegated to the management board of BELFIUS BANK all such powers to the maximum extent permitted under Belgian law.

Pursuant to the articles of association of BELFIUS BANK, the board of directors of BELFIUS BANK is composed of a minimum of 3 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 major functions they perform outside BELIFUS BANK.

The executive members of the board of directors shall withdraw on the date of the general shareholders' meeting held in the year in which they reach the age of 65.

The non-executive members of the board of directors shall withdraw on the date of the general shareholders' meeting held in the year in which they reach the age of 70.

The board of directors has the right to make an exception to the aforementioned principles on a case-by-case basis if it considers it to be in the company's best interest.

The business address for the members of the board of directors is 1000 Brussels, Boulevard Pachéco 44, Belgium.

Composition as at the date of the Prospectus

As at the date of this Prospectus, the board of directors consists of 16 members, 6 of whom sit on the management board.

In view of the fact that the board of directors consists of professionals from a variety of industries but mainly from the financial sector, it disposes of the knowledge and experience required to manage the various business activities of a bank.

Alfred Bouckaert, chairman of the board of directors, chairman of the appointment and compensation committee, chairman of the strategy committee and member of the capital and risk management committee resigned from each of those capacities on 5 June 2013. He was replaced on 4 September 2013 as chairman of the board of directors by Guy Quaden, who was appointed as chairman of the board of directors ad interim until 31 December 2013. In December 2013, Jozef Clijsters was appointed as chairman of the board of directors with effect from 1st January 2014.

Name	**Position**	**Major 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 of BELFIUS BANK	none
Johan Vankelecom..................	member of the management board of BELFIUS BANK chief financial officer responsible for financial reporting, research, liquidity and capital management, financial communication, tax affairs and asset and liability management	none
Dirk Gyselinck.......................	member of the management board of BELFIUS BANK responsible for public & wholesale banking and treasury and financial markets	none
Dirk Vanderschrick.................	member of the management board of BELFIUS BANK responsible for retail and commercial banking	none
Eric Hermann.........................	member of the management board of BELFIUS BANK chief risk officer	none
Luc Van Thielen.....................	member of the management board of BELFIUS BANK chief operations officer responsible for IT, operations, facility management and organisation	none
Marie Gemma Dequae	member of the board of directors of BELFIUS BANK (independent director)	senior advisor at the *Federation of European Risk Management Associations*

Name	Position	Major other functions performed outside BELFIUS BANK
Wouter Devriendt	member of the board of directors of BELFIUS BANK	independent consultant at the Federal Participations and Investment Company (FHIC)
Carine Doutrelepont	member of the board of directors of BELFIUS BANK (independent director)	lawyer and professor at the *Université Libre de Bruxelles (ULB)*
Pierre Francotte	member of the board of directors of BELFIUS BANK (independent director)	professor at the *Solvay Brussels School of Economics and Management*
Guy Quaden	member of the board of directors of BELFIUS BANK (independent director)	honorary governor of the National Bank of Belgium
Chris Sunt..............................	member of the board of directors of BELFIUS BANK	lawyer
Lutgart Van Den Berghe.........	member of the board of directors of BELFIUS BANK (independent director)	executive director at Guberna and extraordinary professor at the *Vlerick Business School*
Rudi Vander Vennet................	member of the board of directors of BELFIUS BANK (independent director)	professor of financial economics and banking at the *University of Ghent (UG)*
Serge Wibaut	member of the board of directors of BELFIUS BANK (independent director)	independent consultant and professor of finance at the *Université Catholique de Louvain (UCL)*

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 has put in place various advisory committees to assist it in its tasks. On 12 March 2014, the appointments and compensation committee of BELFIUS BANK was split into two separate committees: the appointments committee and the remuneration committee.

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. ***Appointments committee***

As of the date of the Prospectus, the appointments and compensation committee of BELFIUS BANK had the following membership:

Name	Position
Lutgart Van Den Berghe.......................	Chairman – director of BELFIUS BANK

Name	Position
Jozef Clijsters.......................................	Member - chairman of the board of directors of BELFIUS BANK
Carine Doutrelepont…………………	Member - director of BELFIUS BANK

Two independent directors (including the Chairman) sit on the appointments committee. The committee is constituted in such a manner as to enable it to formulate a competent and independent judgement of the composition and the working of the management board and the board of directors, in particular the individual and collective expertise of their members and their integrity, reputation, independence of mind and availability.

As representatives of the management board, the chairman of the management board and the head of Human Resources attend meetings of the appointments committee. The chairman of the management board of Belfius Insurance attends meetings of the appointments committee for questions relating to Belfius Insurance and its subsidiaries.

The appointments committee prepares the decisions of the board of directors that relate to:

- assessing the suitability ("Fit and Proper" procedure) of the members of the management board, the non-executive directors and the persons responsible for independent audit functions;
- formulating proposals for the appointment or renewal of the mandate of the chairman and members of the management board;
- formulating proposals for the appointment or renewal of the mandate of directors, as well as proposals for the co-opting of directors;
- monitoring the necessary qualifications, knowledge and experience within the Board of Directors;
- monitoring the succession of members of the management board and the non-executive directors and following up on any risks in that regard;
- assessing the criteria on the basis of which a director may be called "independent" and the formulation of proposals to be made to the general meeting of shareholders in that regard; and
- assessing the performance and objectives of the directors once a year.

The appointments committee acts for both BELFIUS BANK and Belfius Insurance.

2. *Remuneration Committee*

As of the date of the Prospectus, the remuneration committee of BELFIUS BANK had 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
Carine Doutrelepont	Member - director of BELFIUS BANK

Two independent directors (including the Chairman) sit on the remuneration committee. The committee is constituted in such a manner as to enable it to formulate a competent and independent judgment of the policies and practices of remuneration and in relation to the incentives created for the management of risks, capital and reserves and liquidity.

As representatives of the management board, the chairman of the management board and the head of Human Resources attend meetings of the remuneration committee. The chairman of the management board of Belfius Insurance attends meetings of the remuneration committee for questions relating to Belfius Insurance and its subsidiaries.

The remuneration committee prepares the decisions of the board of directors that relate to:

- the remuneration of the chairman of the management board and, at his/her request, the remuneration of the members of the management board;
- the remuneration policy for the chairman and non-executive members of the board of directors;
- the remuneration report to be ratified by the board of directors and published in the annual report; and
- periodic checking to ensure that the remuneration programmes are achieving their purpose and that they correspond with the applicable requirements.

The remuneration committee acts for both BELFIUS BANK and Belfius Insurance.

3. ***Audit committee***

As at the date of the Prospectus, the audit committee of BELFIUS BANK had the following membership:

Name	Position
Guy Quaden	chairman director of BELFIUS BANK
Chris Sunt...	member director of BELFIUS BANK
Rudi Vander Vennet..............................	member director of BELFIUS BANK
Marie Gemma Dequae	member director of BELFIUS BANK

The audit committee assists the board of directors in its task of carrying out prudential supervision and exercising general control. 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 meet jointly once a year. Additional joint meetings may be held at the request of the chairman of the bank’s audit committee.

4. ***Strategy committee***

The strategy committee consists of six members including the chairman of the board of directors, the chairman of the management board and four non-executive directors. As at the date of the Prospectus, the strategy committee of BELFIUS BANK had the following membership:

Name	Position
Jozef Clijsters.......................................	chairman chairman of the board of directors of BELFIUS BANK
Marc Raisière......................................	member chairman of the management board of BELFIUS BANK
Wouter Devriendt................................	member director of BELFIUS BANK
Guy Quaden...	member director of BELFIUS BANK
Serge Wibaut.	member director of BELFIUS BANK
Pierre Francotte………………………	member director of BELFIUS BANK

The chairman of the management board of Belfius Insurance and the members of the management board responsible for public and wholesale banking and for retail and commercial banking are permanent invitees to strategy committee meetings.

The strategy committee is responsible for assisting the board of directors in defining strategy for the company and its subsidiaries. The strategy committee gives its opinion on the business plan and annual budgets, as well as on opportunities for acquisitions, partnerships or modifications to the business model. The committee monitors application of the Belfius group's strategy.

5. ***Risk committee***

The risk committee consists of four non-executive directors. As at the date of the Prospectus, the risk committee had the following membership:

Name	Position
Rudi Vander Vennet................	Chairman director of BELFIUS BANK
Serge Wibaut.......................................	member director of BELFIUS BANK
Wouter Devriendt................................	member director of BELFIUS BANK
Pierre Francotte...................................	member director of BELFIUS BANK

The chairman of the management board, the chief risk officer, the chief financial officer and the member of the management board responsible for the treasury and financial markets attend the meetings of the committee as permanent invitees. The other members of the management board and non-executive directors attend the meetings upon invitation of the committee. The risk committee has advisory powers and responsibilities with regard to the board of directors in the following areas:

- detecting risks inherent in the business of banking and insurance to which the bank is exposed;
- supervising the bank's risk policy (risk appetite and risk strategy) and comparing it with the bank's approved risk appetite and risk strategy;

- allocating the risk appetite to various categories of risk and defining the extent and limits of risk in order to manage and restrict major risks;
- ensuring that these risks are in proportion to the bank's equity;
- supervising the capital and liquidity requirements, the capital and liquidity objectives and the transactions with an impact on the capital base and the liquidity position of the bank;
- supervising the effectiveness of the risk management function, infrastructure and organisation;
- examining the main areas of exposure to risk and the manner in which they are managed;
- formulating an opinion with regard to major transactions and new proposals for strategic activities that have a significant impact on the bank's risk appetite;
- obtaining information and analysing management reports as to the extent and nature of the risks faced by the bank.

The risk committee of BELFIUS BANK operates independently of the risk and underwriting committee of Belfius Insurance. A joint risk committee meeting may be held between BELFIUS BANK and Belfius Insurance at the request of the chairman of the bank's committee.

The risk committee and the audit committee periodically exchange information about the quarterly risk report, the operational risk report, the effective management report about the assessment of the internal audit function and the risk analyses conducted by the legal, compliance and audit and control divisions.

The risk committee aligns the bank's risk strategy with that of the strategy committee, taking account of the impact of the risk strategy on the bank's strategic initiatives.

Audited Consolidated Financial Statements of BELFIUS BANK

BELFIUS BANK (previously Dexia Bank Belgium SA/NV)
Audited Consolidated Balance Sheet

	Note	31 December 2012	31 December 2013
		(EUR '000)	
Assets			
Cash and balances with central banks	7.2	1,964,560	1,445,716
Loans and advances due from banks	7.3	41,279,786	30,123,709
Loans and advances to customers	7.4	89,486,116	87,721,562
Financial assets measured at fair value through profit or loss	7.5	5,077,635	5,512,233
Financial investments	7.6	31,603,663	28,074,151
Derivatives	9.1	35,234,965	23,190,180
Fair value revaluation of portfolio hedge		4,144,582	3,044,509
Investments in associates	7.8	92,872	169,487
Tangible fixed assets	7.9	1,480,271	1,391,707
Intangible assets and goodwill	7.10	209,794	199,047
Tax assets	7.11 & 9.2	1,207,713	958,827
Other assets	7.12 & 9.3	1,155,549	923,135
Non current assets held for sale	7.13 & 9.6	19,617	23,159
Total assets		212,957,124	182,777,422

	Note	31 December 2012	31 December 2013
		(EUR '000)	
Liabilities			
Due to banks	8.1	40,440,300	29,235,568
Customer borrowings and deposits	8.2	66,649,092	61,625,312
Financial liabilities measured at fair value through profit or loss	8.3	10,462,951	8,460,808
Derivatives	9.1	41,765,535	28,602,043
Fair value revaluation of portfolio hedge		87,205	42,632
Debt securities	8.4	26,439,494	27,184,180
Subordinated debts	8.5	1,039,906	893,192
Technical provisions of insurance companies	9.3	17,579,188	17,641,090
Provisions and other obligations	8.6	978,104	462,146

	Note	31 December 2012	31 December 2013
Tax liabilities	8.7 & 9.2	130,751	109,652
Other liabilities	8.8	2,045,136	1,899,853
Liabilities included in disposal groups held for sale	8.9 & 9.6	0	0
Total liabilities		207,617,662	176,156,476

	Note	31 December 2012	31 December 2013
		(EUR '000)	
Equity			
Subscribed capital	9.7	3,458,066	3,458,066
Additional paid-in capital		209,232	209,232
Treasury shares		0	0
Reserves and retained earnings		2,812,095	3,230,926
Net income for the period		421,277	444,998
Core shareholders' equity		6,900,670	7,343,222
Gains and losses not recognised in the statement of income		(1,580,551)	(738,172)
– Available-for-sale reserve on securities		(735,459)	(167,603)
– Frozen fair value adjustment of financial assets reclassified to L&R		(893,478)	(701,877)
– Other reserves		(37,321)	1,457
– Discretionary participation features of insurance contracts	9.3	0	0
Total shareholders' equity		5,320,119	6,605,050
Non-controlling interests		19,343	15,896
Total equity		5,339,462	6,620,946
Total liabilities and equity		212,957,124	182,777,422

BELFIUS BANK

Audited Consolidated Statement of Income

	Note	31 December 2012	31 December 2013
		(EUR '000)	
Interest income	11.1	7,641,037	6,270,012
Interest expense	11.1	(5,518,518)	(4,353,139)
Dividend income	11.2	53,357	50,753
Net income from associates	11.3	5,793	4,672
Net income from financial instruments at fair value through profit or loss	11.4	(25,660)	(188,180)
Net income on investments	11.5	586,589	154,562
Fee and commission income	11.6	441,930	490,945
Fee and commission expense	11.6	(127,631)	(116,396)
Premiums and technical income from insurance activities	11.7 & 9.3	2,143,184	1,910,832
Technical expense from insurance activities[(1)]		(2,717,831)	(2,314,952)
Other net income	11.8	(23,908)	(74,774)
Income		2,458,342	1,834,335
Staff expense	11.9	(714,341)	(560,411)
General and administrative expense	11.10	(477,982)	(478,712)
Network costs		(298,581)	(293,000)
Depreciation & amortisation	11.11	(93,590)	(92,049)
Expenses		(1,584,494)	(1,424,172)
Gross operating income		873,848	410,163
Impairment on loans and provisions for credit commitments	11.12	(267,881)	108,558
Impairment on tangible and intangible assets	11.13	231	(922)
Impairment on goodwill	11.14	0	0
Provisions for legal litigations	11.15	0	0
Net income before tax		606,198	517,799
Tax expense	11.16	(183,553)	(72,703)
Net income after tax		422,645	445,096
Discontinued operations (net of tax)		0	0
Net income		422,645	445,096
Attributable to non-controlling interests		1,368	98
Attributable to equity holders of the parent		421,277	444,998

EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

Under EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident or to certain other persons established in that other Member State. However, for a transitional period, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the Automatic Exchange of Information as from that date. This draft Bill is in line with the announcement of the Luxembourg government of April 2013.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The Council of the European Union formally adopted a Council Directive amending the Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

THE PROPOSED EU FINANCIAL TRANSACTION TAX

Reference is made to the section entitled "Risk Factors" (in particular, see "*Investment Considerations relating to the business of BELFIUS BANK*") which includes information on the proposed EU Financial Transaction Tax (the "**FTT**") which, if adopted, could affect the taxation treatment of the Notes.

BELGIAN TAXATION ON THE NOTES

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of or disposing of the Notes 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 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 consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Notes under the laws of their countries of citizenship, residence, ordinary residence or domicile.

1 Belgian Withholding tax

All payments by or on behalf of the Issuer of interest on the Notes are in principle subject to the 25 per cent. Belgian withholding tax on the gross amount of the interest.

In this regard, "interest" means the periodic interest income, any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Notes 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 X/N Clearing System operated by the National Bank of Belgium (the "**NBB**" and the "**X/N System**"). Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Notes through the X/N System enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Participants to the NBB system must enter the Notes 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 ("*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier"*/"*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing"*) which include, *inter alia*:

(i) Belgian corporations subject to Belgian corporate income tax;

(i) 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 code on income tax of 1992 ("*code des impôts sur les revenus 1992"/"wetboek van de inkomenstenbelastingen 1992"*, the "I**ncome Tax Code of 1992**");

(ii) state regulated institutions ("*institutions paraétatiques"/"parastatalen*") for social security, or institutions which are assimilated therewith, provided for in article 105, 2º of the royal decree implementing the Income Tax Code 1992 ("*arrêté royal d'exécution du code des impôts sur les revenus 1992"/"koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992"*, the "**Royal Decree implementing the Tax Code 1992**");

(iii) non-resident investors provided for in article 105, 5º of the same decree;

(iv) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same decree;

(v) tax payers provided for in article 227, 2º of the 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;

(vi) the Belgian State in respect of investments which are exempt from withholding tax in accordance with a article 265 of the Income Tax Code 1992;

(vii) 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

(viii) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

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 X/N System must keep the Notes 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 25 per cent. withholding tax. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Notes 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 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 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 Notes 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 Notes, 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 on going declaration requirement to the X/N System as to the eligible status.

An Exempt Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Notes 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 Notes 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 Notes held in Euroclear or Clearstream, Luxembourg as Participants to the X/N Clearing System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Notes in such account.

In accordance with the X/N System, a Noteholder who is withdrawing Notes from an Exempt Account will, following the payment of interest on those Notes, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Notes from the last preceding Interest Payment Date until the date of withdrawal of the Notes from the X/N System. As a condition of acceptance of the Notes into the X/N System, the Noteholders waive the right to claim such indemnity.

2 Belgian income tax and capital gains

2.1 Belgian resident individuals

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 Notes as a private investment, are subject to a withholding tax of 25 per cent. on interest payments. The withholding tax constitutes the final taxation; the interest on the Notes does not have to be declared in their personal income tax return.

Capital gains realised on the sale of the Notes 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 section 1 entitled "Belgian Withholding Tax"). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

2.2 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 Notes are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. Capital losses realised upon the sale of the Notes are in principle tax deductible.

2.3 Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax ("*rechtspersonenbelasting*"/"*impôts des personnes morales*") which do not qualify as Eligible Investors are subject to a withholding tax of 25 per cent. on interest payments. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (see section 1 entitled "Belgian Withholding Tax") and which consequently have received gross interest income are required to declare and pay the 25 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest (as defined in section 1 entitled "Belgian Withholding Tax"). Capital losses are in principle not tax deductible.

2.4 Organization for Financing Pensions

Interest and capital gains derived by Organizations 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 exempt from 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.

2.5 Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Notes through their permanent establishment in Belgium will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Notes, provided that they qualify as Eligible Investors and that they hold their Notes in an X Account.

3 Tax on stock exchange transactions

A tax on stock exchange transactions ("*taxe sur les opérations de bourse"/"beurstaks*") will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09 per cent. with a maximum amount of Euro 650 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 tax referred to above 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 ("*Code des droits et taxes divers*"/"*wetboek diverse rechten en taksen*") for the tax on stock exchange transactions and Article 139, second paragraph, of the same code for the tax on repurchase transactions.

As stated in the section entitled "Risk Factors" (in particular, see "*Investment Considerations relating to the business of BELFIUS BANK*"), on 14 February 2013 the EU Commission adopted the proposed FTT. The draft Directive currently stipulates that once the FTT enters into effect, the Participating Member States shall not maintain or introduce any 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). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into effect. The draft Directive is still subject to negotiation between the participating Member States and may, therefore, be further amended at any time.

4 European Directive on taxation of savings income in the form of interest payments

The EU has adopted European Council Directive 2003/48/EC on the taxation of savings income (hereinafter "**Savings Directive**"). The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident or to certain other persons established in that other Member State (hereinafter "**Automatic Exchange of Information**"). However, for a transitional period, Luxembourg and Austria may instead operate a withholding system in relation to such payments, subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld (the "**Withholding System**").

Reference is made to the section entitled "EU Directive on the Taxation of Savings Income" for more details on the scope of the Savings Directive and the latest legislative initiatives.

4.1 Individuals not resident in Belgium

Interest paid or collected through Belgium on the Notes and falling under the scope of application of the Savings Directive will be subject to the Automatic Exchange of Information.

4.2 Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if it receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino or a dependent or associated territory of the Member States (i.e. Curaçao, Bonaire, Saba, Sint Maarten, Sint

Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands).

If the interest received by an individual resident in Belgium has been subject to the Withholding System, any withholding tax, in application of such system, does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. Such withholding tax will be credited against the personal income tax. If this withholding tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

LUXEMBOURGIAN TAXATION ON THE NOTES

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposal of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.

A holder of the Notes may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

Withholding tax and Self-Applied Tax

Under Luxembourg tax law currently in force and with the possible exception of interest paid to certain individual Noteholders or so-called Residual Entities (as defined below), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Noteholders or so-called Residual Entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005, as amended, (the "**Laws**") implementing the European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the “**Savings Directive**”) and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union including Aruba, British Virgin Islands, Curaçao, Guernsey, Isle of Man, Jersey, Montserrat and Sint Maarten (the "**Territories**"), a Luxembourg based paying agent (within the meaning of the Laws) is required to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain Territories, unless the beneficiary of the interest payments elects for the exchange of information or the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain "Residual Entities" within the meaning of article 4.2 of the Savings Directive established in a Member State or in certain Territories (i.e. entities (i) which are not legal persons, except for the Finnish and Swedish companies referred to in article 4.5 of the Savings Directive), (ii) whose profits are not taxed under the general arrangements for the business taxation, (iii) which are not and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or similar collective investment funds).

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the Automatic Exchange of Information as from that date. This draft Bill is in line with the announcement of the Luxembourg government of April 2013.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. The Council of the European Union formally adopted a Council Directive amending the Savings Directive on 24 March 2014 (the

"**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Luxembourg resident individuals

In accordance with the law of 23 December 2005 as amended by the law of 17 July 2008 (the "**Law**") on the introduction of a withholding tax on certain interest payments on savings income, interest payments or similar income made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to (or for the benefit of) Luxembourg individual residents or to certain Residual Entities securing interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

Pursuant to the Law, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax (the "**Levy**") on interest payments made by paying agents located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

Such withholding tax as described above or the Levy is in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth who does not hold the Notes as business assets.

In each case described here above (resident and non-resident holders of Notes), responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

U.S. WITHHOLDING TAX UNDER FATCA

In order to receive certain payments free of U.S. withholding tax under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "**FATCA**") and laws enacted pursuant to an intergovernmental agreement ("**IGA**") relating to the implementation of FATCA, the Issuer and financial institutions through which payments on the Notes are made may be required to deduct or withhold at a rate of up to 30% on all, or a portion of, payments in respect of the Notes made after 31 December 2016. This withholding does not apply to payments on Notes that are issued prior to the date that is six months after the date on which the final regulations that define "foreign passthru payments" are published, unless the Notes are "materially modified", as that term is used in FATCA, after that date, or are characterized as equity for U.S. federal income tax purposes.

Belgium has entered into an IGA relating to the implementation of FATCA with the United States. Under the IGA between the U.S. and Belgium, the Issuer would currently not be required to deduct or withhold amounts under FATCA. However, the terms of the IGA in respect of deduction or withholding are subject to change, and the Issuer can offer no assurances on future deduction or withholding requirements under the U.S.-Belgian IGA. The United States is in the process of negotiating intergovernmental agreements to implement FATCA with a number of other jurisdictions. Different rules may apply if a paying agent is located in a jurisdiction that has entered into an intergovernmental agreement with the United States relating to the implementation of FATCA.

Nevertheless, it is expected that FATCA would affect the amount of any payment received by the X/N System, Euroclear and Clearstream Luxembourg (together, the "**ICSDs**") in only the most remote circumstances, given that each of the entities in the payment chain beginning with the Issuer and ending with the ICSDs is a major financial institution whose business is dependent on compliance with FATCA or rules implementing an inter-governmental agreement relating to FATCA, and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the Notes.

If any amount of deduction or withholding from principal or other payments on the Notes were required under FATCA, laws enacted pursuant to the IGA entered into between the United States and Belgium or laws enacted pursuant to an IGA entered into with another jurisdiction, the Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction by the Issuer, a paying agent, a clearing system or a participant in a clearing system or any other party. As a result, investors may receive less principal or other payments on the Notes than expected.

SUBSCRIPTION AND SALE

Pursuant to an Amended and Restated Distribution Agreement dated on or about 7 May 2014 (the "**Distribution Agreement**") between BELFIUS BANK, the Dealers and the Arranger 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 Notes. The Notes 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 Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

BELFIUS BANK will pay each relevant Dealer a commission in respect of Notes subscribed by them. BELFIUS BANK have agreed to reimburse the Arranger for their expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the applicable Final Terms.

BELFIUS BANK have agreed to indemnify the Dealers against certain liabilities relating to any misrepresentation or breach of any of the representations, warranties or agreements of BELFIUS BANK in connection with the offer and sale of the Notes. The Distribution Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes 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 its 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 the 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 Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes 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 Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and, unless so registered, the Notes 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, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each of the Dealers and BELFIUS BANK has represented and agreed that, except as permitted by the Distribution Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or, in the case of Notes issued on a syndicated basis, the 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 Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), each of the Dealers and BELFIUS BANK has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the 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 Notes 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 Directive;

(b) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), 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 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above is made to consumers or shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU, and the expression "consumers" means consumers within the meaning of Directive 2005/29/EC and includes any relevant implementing measure in each Member State of the European Economic Area which has implemented the Directive 2005/29/EC.

United Kingdom

Each of the Dealers and BELFIUS BANK has represented and agreed that:

1. in relation to any Notes which have a maturity of less than one year from the date of issue, (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 Notes 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 issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA 2000**");

2. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA 2000) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA 2000 would not, if it was not an authorised person, apply to BELFIUS BANK; and

3. it has complied and will comply with all applicable provisions of the FSMA 2000 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Belgium

Any offering of the Notes will be exclusively conducted under applicable private placement exemptions and the restrictions described in this section (*Subscription and Sale*) will apply.

Neither the Prospectus nor any other offering material related to the Notes will have been or will be notified to, and neither the Prospectus nor any other offering material related to the Notes will have been or will be approved or reviewed by, the Belgian Financial Services and Markets Authority (the "*Autoriteit voor Financiële Diensten en Markten*"/"*Autorité des Services et Marchés Financiers*", "**FSMA**"). The FSMA has not commented as to the accuracy or adequacy of any such material or recommended the purchase of the Notes nor will the FSMA so comment or recommend. Any representation to the contrary is unlawful.

Japan

The Notes 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 BELFIUS BANK has represented and agreed that it has not, directly or indirectly offered, or sold and will not, directly or indirectly, offer or sell any Notes 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 BELFIUS BANK and the Dealers. Any such modification will be set out in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this 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 Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms in all cases at its own expense.

SNA13.4.2

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

Final Terms dated [●]

BELFIUS BANK SA/NV

Issue of [Aggregate Nominal Amount of Tranche]
[Title of Notes]

under the €10,000,000,000
Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 7 May 2014 and the Prospectus Supplement dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including the 2010 Prospectus Directive Amending Directive (Directive 2010/73/EU) to the extent implemented in any Member State of the European Economic Area which has implemented the Prospectus Directive) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplement to the Prospectus dated [●]] is/are available for viewing at *www.bourse.lu*. The Prospectus [and the Prospectus Supplement] [is] [are] available for inspection during normal business hours at the office of the Fiscal Agent [and the office of the Issuer].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a 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 "**Terms and Conditions**") set forth in the Prospectus dated 7 June 2013. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including the 2010 Prospectus Directive Amending Directive (Directive 2010/73/EU) to the extent implemented in any Member State of the European Economic Area which has implemented the Prospectus Directive) (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus dated 7 May 2014 [and the Prospectus Supplement dated [●]], which [together] constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Terms and Conditions which are extracted from the Prospectus dated 7 June 2013 a [together with the Prospectus Supplement dated [●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated 7 June 2013 and the Prospectus dated 7 May 2014. [Prospectus dated 7 May 2014] [and the Prospectus Supplement dated [●]] are available for inspection during normal business hours at the office of the Fiscal Agent and [the office of the Issuer].]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

1	(I)	Series Number:	[ ]
	[(II)	Tranche Number:	[ ]] (*delete if not applicable*)
	(III)	Date on which Notes become fungible	[Not Applicable] / [The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of Series*] (ISIN: [ ]) on [[ ]][the Issue Date]
2	Specified Currency or Currencies:		[ ]
3	Aggregate Nominal Amount:		[ ]
	[(I)]	Series:	[ ]

	[(II)	Tranche:	[ ]] (*delete if not applicable*)
4	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ] (*insert if Notes are fungible with a previous issue*)]
5	(I)	Specified Denomination(s):	[ ] [and integral multiples of [ ] thereof]. No notes in definitive form will be issued. *(No Notes may be issued which have a minimum denomination of less than EUR 100,000* (*or nearly equivalent amount in other currencies*)
	(II)	Calculation Amount:	[ ]
6	(I)	Issue Date:	[ ]
	(II)	Interest Commencement Date:	[ ] / [Issue Date] / [Not applicable]
7	Maturity Date:		[ ] / [Interest Payment Date falling on or nearest to [ ] (*specify in this format for Floating Rate Notes or CMS-Linked Interest Notes*)]
8	Interest Basis:		[Not Applicable. The Notes do not bear any interest] [[ ] per cent. Fixed Rate (Further particulars specified in Paragraph 15 of Part A of the Final Terms below)] [[*EURIBOR/LIBOR*] [+/- [*Margin*]] Floating Rate, Further particulars specified below] [CMS-Linked Interest Note] [Zero Coupon] [Range Accrual Note] [Resettable Note] (*include all which are relevant*)
9	Redemption/Payment Basis:		[Par Redemption] / [Specified Final Redemption Amount and the Specified Fixed Percentage Rate will be at least 100%].
10	Change of Interest Basis:		[Applicable. Notes are [Fixed to Floating Rate Notes / Floating to Fixed Rate Notes]] / [Not Applicable]
11	Put/Call Options:		
	(I)	Redemption at the option of the Issuer: (Condition 3(c))	[Applicable. Further details specified in Paragraph 18 of Part A of the Final Terms below] / [Not Applicable].
	(II)	Put Option: (Condition 3(d))	[Applicable. Further details specified in Paragraph 19 of Part A of the Final Terms below] / [Not Applicable].
12	(I)	Status of the Notes:	[Senior] / [Subordinated Notes]
	(II)	Subordinated Notes	[Applicable][Not applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
		• Condition 3(e) (Redemption	[Applicable][Not applicable]

		upon Capital Disqualification Event)	
	•	Capital Disqualification Event Early Redemption Price (Condition 3(e))	[Specified Redemption Amount, and the Specified Fixed Percentage Rate is [ ] per cent.] / [Par Redemption] / [Not applicable] (*Note: the Specified Fixed Percentage Rate must be at least 100 per cent.)*
	•	Condition 6(c) Subordinated Notes: Deferral of Payments	[Applicable][Not applicable]
	•	Condition 6(d) Subordinated Notes: Substitution	[Applicable][Not applicable]
	(III)	Date of any additional [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]] / [Not Applicable] (*specify if Notes require separate / new authorisation. Otherwise specify "Not Applicable"*)
13	Method of distribution:		[Syndicated][Non-syndicated]

Provisions Relating to Interest (if any) Payable

14	**Fixed Rate Note Provisions**		[Applicable] / [Applicable for the Interest Periods specified below] / [Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(I)	Interest Periods to which Fixed Rate Note Provisions are applicable:	[All] / [Notes are Fixed to Floating Rate Notes, and Fixed Rate Note Provisions shall apply for the following Interest Periods: From and including [the Interest Commencement Date] to but excluding [ ][, from and including [ ] to but excluding [ ]…. and from and including [ ] to but excluding [ ]] / [Notes are Floating to Fixed Rate Notes, and Fixed Rate Note Provisions shall apply for the following Interest Periods: From and including [ ] to but excluding [ ][, from and including [ ] to but excluding [ ]…. and from and including [ ] to but excluding [ ]]. (*delete as appropriate*)
	(II)	Step-Up Notes:	[Applicable] / [Not Applicable]
	(III)	Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] [for the period from [ ] to [ ]… and [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] for the period from [ ] to [ ]]
	(IV)	Interest Payment Date(s):	[Each [ ] and [ ], from and including [ ] up to and including [ ]] / [[*date*][, [*date*]…. and [*date*]] [Subject to adjustment in accordance with the Business Day Convention.]
	(V)	Interest Period Dates	[Each [ ] and [ ], from and including [ ] up to and including [ ]] / [[*date*][, [*date*]…. and [*date*]] [Subject to adjustment in accordance with the Business Day

			Convention.] / [No Adjustment]
	(VI)	Business Day Convention:	[Following Business Day Convention] / [No Adjustment] (*delete as appropriate*)
	(VII)	Fixed Coupon Amount[(s)]:	[[ ] per Calculation Amount] / [Not Applicable]
	(VIII)	Broken Amount(s):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]] / [Not Applicable]
	(IX)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA]/[Actual/365(fixed)][Actual/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)]/[Actual/Actual (ICMA)]
	(X)	Determination Dates:	[[ ] in each year][Not applicable]
	(XI)	Business Centre(s):	[ ] / [Not Applicable]
15	**Resettable Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(I)	Initial Rate of Interest:	[ ] per cent. per annum payable in arrear on each Resettable Note Interest Payment Date
	(II)	Resettable Note Interest Payment Date(s):	[Each [ ] and [ ], from and including [ ] up to and including [ ]] / [[*date*][, [*date*]…. and [*date*]] [Subject to adjustment in accordance with the Business Day Convention.]
	(III)	Interest Period Date(s):	[Each [ ] and [ ], from and including [ ] up to and including [ ]] / [[*date*][, [*date*]…. and [*date*]] [Subject to adjustment in accordance with the Business Day Convention.] / [No Adjustment]
	(IV)	Business Day Convention:	[Following Business Day Convention] / [No Adjustment] (*delete as appropriate*)
	(V)	First Margin:	[+/-] [ ] per cent. per annum
	(VI)	Subsequent Margin:	[+/-] [ ] per cent. per annum
	(VII)	Day Count Fraction:	[Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]
	(VIII)	First Resettable Note Reset Date:	[ ]
	(IX)	Second Resettable Note Reset Date:	[ ]
	(X)	Subsequent Resettable Note Reset Date[s]:	[[ ], [ ], [ ]] / [Not Applicable]
	(XI)	Reset Determination Date[s]:	[[ ], [ ], [ ]] / [Not Applicable]
	(XII)	Relevant Screen Page:	[[ ], [ ], [ ]] / [Not Applicable]

	(XIII) Mid-Swap Rate	[Single Mid-Swap Rate] [Mean Mid-Swap Rate]
	(XIV) Mid-Swap Maturity:	[ ] / [Not Applicable]
	(XV) Business Centre(s):	[ ] / [Not Applicable]
16	**Floating Rate Note / CMS-Linked Interest Note Provisions**	[Applicable. The Notes are [Floating Rate Notes] / [CMS-Linked Interest Notes]] / [Applicable for the Interest Periods specified below] / [Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(I) Interest Periods to which Floating Rate Note Provisions are applicable:	[All] / [Notes are Floating to Fixed Rate Notes, and Floating Rate Note Provisions shall apply for the following Interest Periods: From and including [the Interest Commencement Date] to but excluding [ ][, from and including [ ] to but excluding [ ]…. and from and including [ ] to but excluding [ ]] / [Notes are Fixed to Floating Rate Notes, and Floating Rate Note Provisions shall apply for the following Interest Periods: From and including [ ] to but excluding [ ][, from and including [ ] to but excluding [ ]…. and from and including [ ] to but excluding [ ]] / [Not Applicable, the Notes are CMS-Linked Interest Notes]. (*delete as appropriate*)
	(II) Specified Interest Payment Dates:	Each [ ] and [ ], from and including [ ] up to and including [ ][, subject to adjustment in accordance with the Business Day Convention] / Not Applicable (*Specify "Not Applicable" if fallback in Condition 2(m) applies*)
	(III) Interest Period Dates:	[Not applicable] / [Each [ ] and [ ], from and including [ ] up to and including [ ]] (*Specify "Not Applicable" if fallback in Condition 2(m) applies*)
	(IV) Business Day Convention:	[Following Business Day Convention] / [No Adjustment] (*delete as appropriate*)
	(V) Business Centre(s):	[ ] / [Not Applicable]
	(VI) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination] / [ISDA Determination] / [CMS-Linked Interest Notes provisions in paragraph (X) below apply]
	(VII) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[Calculation Agent][*name*]
	(VIII) Screen Rate Determination:	[Applicable] / [Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
	– Reference Rate:	[ ] /
	– Interest Determination Date(s):	[[*date*][, [*date*]…. and [*date*]] / [As specified in Condition 2(m)]

	–	Relevant Screen Page:	[ ]
	–	Margin:	[Not Applicable] / [[+/-][ ] per cent. per annum[in respect of Interest Period from and including [the Interest Commencement Date] to but excluding [ ][, [[+/-][ ] per cent. per annum from and including [ ] to but excluding [ ]…. and [[+/-][ ] per cent. per annum from and including [ ] to but excluding [ ]]
	–	Leverage:	[ ] / [Not Applicable]
(IX)	ISDA Determination:		[Applicable] / [Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
	–	Floating Rate Option:	[ ]
	–	Designated Maturity:	[ ]
	–	Reset Date:	[*date*][, [*date*]…. and [*date*]
	–	Margin:	[Not Applicable] / [[+/-][ ] per cent. per annum[in respect of Interest Period from and including [the Interest Commencement Date] to but excluding [ ][, [[+/-][ ] per cent. per annum from and including [ ] to but excluding [ ]…. and [[+/-][ ] per cent. per annum from and including [ ] to but excluding [ ]]
	–	Leverage:	[ ] / [Not Applicable]
(X)	CMS-Linked Interest Notes:		[Applicable] / [Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
	–	Reference Rate: (Condition 2(b)(D))	[CMS Reference Rate] / [Leveraged CMS Reference Rate] / [CMS Reference Rate Spread] / [Leveraged CMS Reference Rate Spread] applies. (*delete as appropriate*)
	–	CMS Rate:	[ ] / [CMS Rate 1 and CMS Rate 2] (*specify if CMS Reference Rate or Leveraged CMS Reference Rate are applicable, otherwise specify "CMS Rate 1 and CMS Rate 2".*)
	–	CMS Rate 1:	[ ] / [Not Applicable] (*specify if CMS Reference Rate Spread or Leveraged CMS Reference Rate Spread are applicable, otherwise specify as "Not Applicable"*)
	–	CMS Rate 2:	[ ] / [Not Applicable] (*specify if CMS Reference Rate Spread or Leveraged CMS Reference Rate Spread are applicable, otherwise specify as "Not Applicable"*)
	–	Designated Maturity:	[ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]
	–	Reference Currency:	[ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]
	–	Interest Determination Date(s):	[ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]] [Subject to adjustment in accordance with the Business Day Convention.]

	–	Business Day Convention:	[Following Business Day Convention] / [No Adjustment] (*delete as appropriate*)
	–	Specified time:	[ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]
	–	Relevant Screen Page:	[ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]
	–	Margin:	[Not Applicable] / [[+/-][ ] per cent. per annum[in respect of Interest Period from and including [the Interest Commencement Date] to but excluding [ ][, [[+/-][ ] per cent. per annum from and including [ ] to but excluding [ ]…. and [[+/-][ ] per cent. per annum from and including [ ] to but excluding [ ]]
	–	Leverage:	[ ] / [Not Applicable]
	(XI)	Minimum Rate of Interest:	[ ] per cent. / [Not Applicable]
	(XII)	Maximum Rate of Interest:	[ ] per cent. / [Not Applicable]
	(XIII)	Day Count Fraction:	[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)]
17	**Zero Coupon Note Provisions**		[Applicable] / [Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
	(I)	Amortisation Yield:	[__] per cent. per annum
	(II)	Day Count Fraction	[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)]
18	**Range Accrual Provisions**		[Applicable] / [Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
	(I)	Reference Rate:	[ ]
	(II)	Specified Rate:	[[ ] per cent.]
	(III)	Upper Barrier:	[ ]
	(IV)	Lower Barrier:	[ ]
	(V)	Maximum Rate of Interest:	[ ] per cent. / [Not Applicable]
	(VI)	Minimum Rate of Interest:	[ ] per cent. / [Not Applicable]
	(VII)	Day Count Fraction	[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)]
	(VIII)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[Calculation Agent][*name*]
	(IX)	Specified Interest Payment	Each [ ] and [ ], from and including [ ] up to and including [ ][, subject to adjustment in accordance with the Business Day

		Dates:	Convention] / Not Applicable (*Specify "Not Applicable" if fallback in Condition 2(m) applies*)
	(X)	Interest Period Dates:	[Not applicable] / [Each [ ] and [ ], from and including [ ] up to and including [ ]] (*Specify "Not Applicable" if fallback in Condition 2(m) applies*)
	(XI)	Business Day Convention:	[Following Business Day Convention] / [No Adjustment] (*delete as appropriate*)
	(XIII)	Business Centre(s):	[ ] / [Not Applicable]
	Provisions Relating to Redemption		
19	**Call Option**		[Applicable]/[Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
	(I)	Optional Redemption Date(s):	[ ] [Subject to adjustment in accordance with the Business Day Convention.]
	(II)	Business Day Convention:	[Following Business Day Convention] / [No Adjustment] (*delete as appropriate*)
	(III)	Redemption Amount(s) of each Note	[Specified Redemption Amount] / [Par Redemption]
	(IV)	Specified Fixed Percentage Rate:	[[ ] per cent.] / [ ] per cent. in respect of the Optional Redemption Date falling on [ ], [ ] per cent. in respect of the Optional Redemption Date falling on [ ] / [Not Applicable]] (*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100 per cent.*)
	(V)	If redeemable in part:	[Applicable]/[Not Applicable]
		(a) Minimum Nominal Redemption Amount:	[ ] / [Not Applicable]
		(b) Maximum Nominal Redemption Amount:	[ ] / [Not Applicable]
	(VI)	Notice period:	[ ]
20	**Put Option**		[Applicable][Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
	(I)	Optional Redemption Date(s):	[ ] [Subject to adjustment in accordance with the Business Day Convention.]
	(II)	Business Day Convention:	[Following Business Day Convention] / [No Adjustment] (*delete as appropriate*)
	(III)	Redemption Amount(Put) of each Note:	[Specified Redemption Amount] / [Par Redemption]
	(IV)	Specified Fixed Percentage Rate:	[[ ] per cent.] / [Not Applicable]] (*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100*

			per cent.)
	(V)	Notice period:	[ ]
	(VI)	Address for Notices:	[BELFIUS BANK SA/NV Long Term Funding GI 01/10 Pachecolaan 44 1000 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) GI 03/04 Pachecolaan 44 1000 Brussels Belgium Tel.: +32 2 222 19 55 or +32 2 222 14 80 or +32 2 222 14 08 Fax: +32 2 285 10 87 E-mail: cmtransrelease@belfius.be; cmcustodymgt@belfius.be] / [●]
	(VII)	If redeemable in part:	[Applicable]/[Not Applicable]
		(a) Minimum Nominal Redemption Amount:	[ ] / [Not Applicable]
		(b) Maximum Nominal Redemption Amount:	[ ] / [Not Applicable]
21	**Final Redemption Amount of each Note**		[Specified Final Redemption Amount] / [Par Redemption]
	(I)	Specified Fixed Percentage Rate:	[[ ] per cent.] / [Not Applicable]] (*Specify only if "Specified Final Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100 per cent.*)
22	**Early Redemption**		
	(I)	Early redemption amount upon redemption for taxation reasons:	[Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount] (*Note: the Specified Fixed Percentage Rate must be at least 100 per cent.*)
		(a) Specified Fixed Percentage Rate:	[[ ] per cent.] / [Not Applicable]] (*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100 per cent.*)
		(b) Amortisation Yield:	[[ ] per cent.] / [Not Applicable]]

		(*Specify only if "Amortised Face Amount" is selected.*)
	(c) Day Count Fraction:	[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)] (*Specify only if "Amortised Face Amount" is selected.*)
	(II) Early redemption amount upon event of default:	[Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount] (*Note: the Specified Fixed Percentage Rate must be at least 100 per cent.*)
	(a) Specified Fixed Percentage Rate:	[[ ] per cent.] / [Not Applicable]] (*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100 per cent.*)
	(b) Amortisation Yield:	[[ ] per cent.] / [Not Applicable]] (*Specify only if "Amortised Face Amount" is selected.*)
	(c) Day Count Fraction:	[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)] (*Specify only if "Amortised Face Amount" is selected.*)
23	**Target Early Redemption Event**	[Applicable] / [Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)
	(I) Target Level:	[[ ] per Calculation Amount] / [[ ] per cent.]
	(II) Target Early Redemption Amount:	[Specified Redemption Amount] / [Par Redemption]
	(III) Specified Fixed Percentage Rate:	[[ ] per cent.] / [Not Applicable]] (*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100 per cent.*)
	(IV) Target Determination Date(s):	[*date*][, [*date*]…. and [*date*]
	(V) Target Determination Time	[ ]
	(VI) Target Mandatory Early Redemption Date	[The Interest Payment Date following the Interest Determination Date on which the Target Early Redemption Event occurred][ ]

General Provisions Applicable to the Notes

24	Business Day Jurisdictions for payments	[ ]
25	Instalment Notes:	[Applicable] / [Not Applicable] (*if Not applicable, delete the sub-paragraphs under this paragraph*)

(I)	Instalment Dates:	[*date*][, [*date*]…. and [*date*]
(II)	Instalment Amount(s):	[ ] per Calculation Amount [in respect of the Instalment Date falling on [ ],…. and [ ] per Calculation Amount in respect of the Instalment Date falling on [ ].
(III)	Final Instalment Amount:	[ ] per Calculation Amount.

Signed on behalf of the Issuer:

By: ....
Duly authorised

PART B - OTHER INFORMATION

1	**LISTING AND ADMISSION TO TRADING**	
	(i) Admission to trading:	[Application has been made for the Notes to be listed on the official list of the [Luxembourg Stock Exchange] and admitted to trading on the Regulated Market of the [Luxembourg Stock Exchange]] [Not Applicable.] (*Where documenting a fungible issue need to indicate that the original notes are already admitted to trading*.)
	(ii) Earliest day of admission to trading:	[Application has been made for the Notes to be admitted to trading with effect from [ ].] / [On or around [ ].] / [Not applicable.]
	(iii) Estimate of total expenses related to admission to trading:	[ ]
2	**RATINGS**	
	Ratings:	[The Notes to be issued have been specifically rated: [S & P: [ ]] [Moody's: [ ]] [Other: [ ]] [The Notes to be issued have not been specifically rated, but Notes of the type being issued under the Programme generally have been rated: [S & P: [ ]] [Moody's: [ ]] [Other: [ ]] *Insert one (or more) of the following options, as applicable*:[1] [*[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 by Regulation (EU) No 513/2011 (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 by Regulation (EU) No 513/2011 (the "CRA Regulation"), although notification of the registration decision has not yet been provided.]

[1] 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 established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "CRA Regulation").

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the [Notes] 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 by Regulation (EU) No 513/2011 (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 by Regulation (EU) No 513/2011 (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 by Regulation (EU) No 513/2011 (the "CRA Regulation") and the rating it has given to the Notes 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 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save as discussed in ["Subscription and sale"][ ]], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

4 **[*Fixed Rate Notes only* - YIELD**

Indication of yield: [ ]

5 **[*Floating Rate Notes or CMS-Linked Interest Notes only* – Historic Interest Rates**

Details of historic [LIBOR][EURIBOR][CMS Rate] rates can be obtained from [*Reuters page]*

6 **[*Range Accrual Notes only – Historic Reference Rates*]**

Details of historic [LIBOR][EURIBOR][CMS Rate] rates can be obtained from [*Reuters page]*

7 OPERATIONAL INFORMATION

Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No].
ISIN Code:	[ ]
Common Code:	[ ]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[ ]
Name and address of Calculation Agent (if any):	[ ]

GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.

2. BELFIUS BANK has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issue and performance of the Notes. The update of the Programme by BELFIUS BANK was authorised by a resolution of the Management Board of BELFIUS BANK passed on 4 March 2014.

3. BELFIUS BANK is an Authorised European Institution.

4. There has been no material adverse change in the prospects of BELFIUS BANK on a consolidated basis since 31 December 2013. In addition, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of BELFIUS BANK for the current financial year.

5. There has been no significant change in the financial or trading position of BELFIUS BANK since 31 December 2013.

6. Neither BELFIUS BANK 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 BELFIUS BANK is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects, on the financial position or profitability of BELFIUS BANK or any of its subsidiaries.

7. The Notes have been accepted for clearance through the X/N Clearing System. The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any Alternative Clearing System) for each Series of Notes will be set out in the applicable Final Terms.

8. The address of the X/N Clearing System is Boulevard de Berlaimont 14, B-1000 Brussels, Belgium and the address of any alternative clearing system will be specified in the applicable Final Terms.

9. There are no material contracts entered into other than in the ordinary course of BELFIUS BANK's business, which could result in BELFIUS BANK being under an obligation or entitlement that is material to BELFIUS BANK's ability to meet its obligations to Noteholders in respect of the Notes being issued.

10. The issue price and the amount of the relevant Notes 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 issues of Notes, except if required by any applicable laws and regulations.

11. Copies of the annual report and audited annual accounts of BELFIUS BANK for the years ended 31 December 2012 and 31 December 2013, including the reports of the statutory auditors in respect thereof, may be obtained, and copies of this Prospectus and any supplements and each Final Terms may be obtained, and copies in physical form of the Agency Agreement, the Distribution Agreement and the Articles of Association of the Issuer will be available for inspection, at the specified offices of the Fiscal Agent and each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. The audit of BELFIUS BANK's financial statements was conducted by DELOITTE Reviseurs d'Entreprises SC s.f.d. SCRL, represented by Bernard de Meulemeester and Frank Verhaegen Berkenlaan 8B, 1831 Diegem (a member of IBR - IRE *Instituut der*

Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises). They rendered unqualified audit reports on the financial statements of BELFIUS BANK for the years ended 31 December 2012 and 2013.

12. Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or certain non-profit making organisations.

13. The Prospectus and the Final Terms of tranches listed on the Luxembourg Stock Exchange and all documents that have been incorporated by reference will be available on the Luxembourg Stock Exchange website (www.bourse.lu).

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 its affiliates in the ordinary course of business.

15. In the case of Subordinated Notes unless such Notes have (or will have on the date fixed for redemption) ceased fully to qualify as part of the Issuer's regulatory capital, the Issuer shall not exercise any right under the Terms and Conditions to redeem, substitute or purchase Notes prior to their Maturity Date (if applicable) unless the Issuer has first obtained a Relevant Supervisory Consent, if the same is required at such time by the Lead Regulator applicable to the Issuer.

    For these purposes, a "**Relevant Supervisory Consent**" means as required, a consent or waiver to, or, following the giving of any required notice, the receipt of no objection to, the relevant redemption, substitution or purchase from the Lead Regulator applicable to the Issuer.

    In the event any Subordinated Notes are to be redeemed in accordance with the Terms and Conditions prior to the fifth anniversary of their issue date, due to the occurrence of either a Capital Disqualification Event or pursuant to Condition 5(b) (*Redemption for Taxation Reasons*) the Relevant Rules oblige and are currently expected to continue to oblige the Issuer to demonstrate to the satisfaction of the Lead Regulator applicable to the Issuer that the relevant event was not reasonably foreseeable at the Issue Date, prior to the Relevant Supervisory Consent being obtained for such redemption.

    For these purposes, "**Relevant Rules**" means the capital requirement rules from time to time as applied by the Lead Regulator applicable to the Issuer and as amended from time to time, including by virtue of the implementation of the CRD IV and/or the BRRD.

REGISTERED OFFICE OF BELFIUS BANK SA/NV
Boulevard Pachéco 44
B-1000 Brussels
Belgium

DEALERS

Banco Bilbao Vizcaya Argentaria, S.A.
Calle Sauceda 28
Edificio Asia
Madrid
28050
Spain

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BELFIUS BANK SA/NV
Boulevard Pachéco 44
B-1000 Brussels
Belgium

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Commerzbank Aktiengesellschaf
Kaiserstrasse 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

Crédit Agricole Corporate and Investment Bank
9, Quai du President Paul Doumer
92920 Paris La Défense Cedex
France

Crédit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

Deutsche Bank AG London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

NATIXIS
30 Avenue Pierre Mendès-France
75013 Paris
France

Nomura International plc
1 Angel Lane
London EC4R 3AB
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

UniCredit Bank AG
Arabellastrasse 12
D-81925 Munich
Federal Republic of Germany

CALCULATION AGENT

BELFIUS BANK SA/NV
Boulevard Pachéco 44
B-1000 Brussels
Belgium

FISCAL AGENT

BELFIUS BANK SA/NV
Boulevard Pachéco 44
B-1000 Brussels
Belgium

PRINCIPAL PAYING AGENT

BELFIUS BANK SA/NV
Boulevard Pachéco 44
B-1000 Brussels
Belgium

PAYING AGENT

BELFIUS BANK SA/NV
Boulevard Pachéco 44
B-1000 Brussels
Belgium

ARRANGER

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

LUXEMBOURG LISTING AGENT

Banque Internationale à Luxembourg SA
69, route d'Esch
L-1470 Luxembourg
Luxembourg

AUDITORS

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA
Berkenlaan 8B
1831 Diegem
Belgium

LEGAL ADVISERS

To the Issuer

in respect of English law	*in respect of Belgian law*
Clifford Chance LLP 10 Upper Bank Street London E14 5JJ United Kingdom	**Clifford Chance LLP** Avenue Louise 65, box 2 B - 1050 Brussels Belgium

To the Dealers

in respect of English and Belgian law

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HT
United Kingdom