



BELFIUS BANK SA/NV

(incorporated with limited liability in Belgium)

Euro 10,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this base prospectus (which expression shall include this base prospectus as amended and/or supplemented from time to time and all documents incorporated by reference herein, the “**Base Prospectus**”), 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 Senior Notes may be either senior preferred notes (the “**Senior Preferred Notes**”) or senior non-preferred notes (the “**Senior Non-Preferred Notes**”). It is the intention of the Issuer that the Senior Notes shall, for supervisory purposes, be treated as MREL/TLAC-Eligible Instruments (as defined below).

The aggregate principal amount of Notes outstanding will not at any time exceed EUR 10,000,000,000 (or the equivalent in other currencies).

This Base Prospectus has been approved as a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) on 11 May 2020 by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Prospectus Regulation and the Luxembourg law of 16 July 2019 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended (the “**Luxembourg Prospectus Law**”). It contains information relating to the issue by the Issuer of Notes and must be read in conjunction with the documents incorporated by reference herein. The CSSF has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. This approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. In accordance with Article 6(4) of the Luxembourg Prospectus Law, the CSSF does not make any representation as to the economic or financial opportunity of the Notes nor as to the quality and solvency of the Issuer. Investors should make their own assessment as to the suitability of investing in any Notes.

The CSSF has neither reviewed nor approved the information contained in this Base 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 Regulation.

Application has been made to the Luxembourg Stock Exchange to approve the Base Prospectus for the issue of Notes having a maturity on issue of less than twelve months pursuant to Part III, Chapter 2 of the Luxembourg Prospectus Law.

This Base Prospectus shall be valid for a period of one year from its date of approval. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

In relation to any Notes, this Base 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 Base Prospectus are issued subject to the provisions described or incorporated by reference herein. 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.

Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme for the period of twelve months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Market. References in this Base 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 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended. No certainty can be given that the application for the listing of any Notes 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. Unlisted Notes may also 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 official list and admitted to trading on the Market (or any other stock exchange).

The Notes issued will be in dematerialised form in accordance with the Belgian Companies and Associations 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 “**Securities Settlement System**”).

The Programme has been rated A- in respect of Senior Preferred Notes with a maturity of one year or more, A-2 in respect of Senior Preferred Notes with a maturity of less than one year, BBB+ in respect of Senior Non-Preferred Notes and BBB in respect of the Subordinated Notes by S&P Global Ratings Europe Limited (“**Standard & Poor’s**”), and A1 in respect of Senior Preferred Notes with a maturity of one year or more, Prime-1 in respect of Senior Preferred Notes with a maturity of less than one year, Baa2 in respect of Senior Non-Preferred Notes and Baa2 in respect of the Subordinated Notes 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 (<https://www.esma.europa.eu/>) (on or about the date of this Base Prospectus). 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. The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, in Belgium to “consumers” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

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

Arranger

Société Générale Corporate & Investment Banking

Dealers

Barclays

BNP PARIBAS

Citigroup

Crédit Agricole CIB

J.P. Morgan

Morgan Stanley

Nomura

UBS Investment Bank

Belfius Bank

BofA Securities

Commerzbank

Credit Suisse

Landesbank Baden-Württemberg

NatWest Markets

Société Générale Corporate & Investment Banking

UniCredit Bank

Base Prospectus dated 11 May 2020

IMPORTANT INFORMATION

GENERAL

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area or in the United Kingdom (each, a “**Relevant State**”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant State of Notes which are the subject of an offering contemplated in this Base 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 Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, 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 Regulation**” means Regulation (EU) 2017/1129. This Base Prospectus has been prepared on the basis of Annexes 7 and 15 of Commission Delegated Regulation (EU) 2019/980.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Base 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. Unless specifically incorporated by reference into this Base Prospectus, information contained on websites mentioned herein does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

Belfius Bank accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of Belfius Bank, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base 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 they might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base 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 Base 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 Base 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 Base 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.

No person is or has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the 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 Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of Belfius Bank since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that there has been no adverse change in

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

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

This Base Prospectus contains or incorporates by reference certain statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Issuer's business strategies, trends in its business, competition and competitive advantage, regulatory changes, and restructuring plans. Words such as believes, expects, projects, anticipates, seeks, estimates, intends, plans or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer does not intend to update these forward-looking statements except as may be required by applicable securities laws. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access to capital markets; (ii) market and interest rate fluctuations; (iii) the strength of global economy in general and the strength of the economies of the countries in which the Issuer conducts operations; (iv) the potential impact of sovereign risk, particularly in certain European Union countries which have recently come under market pressure; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the Issuer; (vii) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (viii) the possibility of the imposition of foreign exchange controls by government and monetary authorities; (ix) operational factors, such as systems failure, human error, or the failure to implement procedures properly; (x) actions taken by regulators with respect to the Issuer's business and practices in one or more of the countries in which the Issuer conducts operations; (xi) the adverse resolution of litigation and other contingencies and (xii) the Issuer's success at managing the risks involved in the foregoing. The foregoing list of important factors is not exclusive; when evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Base Prospectus.

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

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

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by Belfius Bank, the Dealers and the Arranger to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale*".

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.

The Notes may not be a suitable investment for all investors. Investors should make their own assessment as to the suitability of an investment in the Notes. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant financial markets; and
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal 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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole by the investors.

This Base Prospectus nor any other information supplied in connection with the issue of Notes constitutes 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.

The Notes where the Reference Rate is SONIA may only be held by, and may only be transferred to, Eligible Investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 holding their Notes in an exempt securities accounts that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the National Bank of Belgium.

Prohibition of sales to EEA and UK retail investors – If the Final Terms in respect of any Notes include a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); (ii) a customer within the meaning of Directive 2016/96/EU, as amended (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or

selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

Prohibition of sales to consumers in Belgium – The Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to “consumers” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

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

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

Amounts payable under the Notes may be calculated by reference to EURIBOR, LIBOR or SONIA, as specified in the relevant Final Terms (or such other benchmark as may be specified in the relevant Final Terms). As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) and the ICE Benchmark Administration (as administrator of LIBOR) are included in ESMA’s register of administrators under Article 36 of the Benchmark Regulation.

STABILISATION

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, stabilisation may not necessarily occur. 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 cease 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.

CURRENCIES

In this Base 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.

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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 Base 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 business, financial condition, results of operations, future prospects and 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. Additional risk and uncertainties, including those of which the Issuer is not currently aware or deems immaterial, may also potentially have an adverse effect on the Issuer's business, financial condition, results of operations or future prospects or may result in other events that could cause investors to lose all or part of their investment.

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 known 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 carefully consider the risks set forth below and read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.

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

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

RISK FACTORS SPECIFIC TO THE ISSUER

Risks related to the financial situation and business activity

The COVID-19 outbreak may have an adverse impact on the Issuer's business activities

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

consequently have an impact on the financial position of Belfius Bank (amongst others on its solvency, liquidity, insurance premiums, interest margin, fee income, fair value results as well as cost of risk).

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

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

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

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

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

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

Given that new government, regulatory and sector-related measures are being taken every day, it is impossible at this stage to make a reliable estimate of what the consequences will be for the global economy and, more specifically, for Belfius Bank. Belfius Bank is closely monitoring the situation. It is adopting a cautious and conservative approach. Its Tier 1 ratio and total capital ratio are solid and in terms of liquidity, Belfius Bank is able to rely on solid reserves.

The risks linked to the COVID-19 outbreak can have an influence on the risks described hereafter.

As a credit institution, the Issuer is subject to credit risk, mainly stemming from changes in the credit quality of, and failures to perform by, its counterparties

Credit risks are inherent in a wide range of Belfius Bank's businesses. These include risks arising from changes in the credit quality of counterparties as well as the inability to recover amounts due from counterparties. This means that Belfius Bank is exposed to the risk that third parties (such as trading counterparties, counterparties

under credit default swaps, interest rate swaps and other derivative contracts, borrowers, issuers of securities which Belfius Bank holds, customers, clearing agents and clearing houses, exchanges, guarantors, (re)insurers and other financial intermediaries) owing Belfius Bank money, securities or other assets do not pay, deliver or perform under their obligations. Bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other factors may cause them to default on their obligations towards Belfius Bank.

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

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

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

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

Finally, since 2011, Belfius Bank has been engaged in a tactical de-risking of the ex-legacy portfolios until end 2016. Belfius Bank has been successful in achieving its aim of bringing the risk profile of the ex-legacy portfolios in line with the risk profile of its Retail and Commercial and Public and Corporate segments. As from 1 January 2017, the remainder of these ex-legacy portfolios have been integrated in Group Center and the remaining securities are being managed in natural run-off. An important component of these ex-legacy portfolios (total notional of Belfius’ ex-legacy portfolio as per 31 December 2019 stood at EUR 25.7 billion) is the large outstanding stock of derivatives (total notional of Belfius’ ex-legacy derivatives portfolio as per 31 December 2019 stood at EUR 18.4 billion) and bonds mainly composed of long-term inflation linked bonds issued by highly regulated UK utilities and infrastructure companies (total notional as per 31 December 2019 stood at EUR 1.3 billion). These bonds are of satisfactory credit quality. Nevertheless in the unlikely event of a default, the loss could be substantial but within the boundaries of the Belfius risk appetite framework. The inflation linked nature of these bonds makes them furthermore sensitive to UK real rates. Together with the outstanding stock of derivatives, they could have an important additional capital charge in terms of Risk-Weighted Assets (“**RWA**”) as well as increased collateral posting from Belfius Bank which could put Belfius’ overall liquidity under pressure in case of a liquidity crisis in the financial markets.

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

No assurances can be given that the strategy and framework to control the general credit risk profile and to limit risk concentrations will be effective and that these risks will not have an adverse effect on Belfius Bank’s results of operations, financial condition or prospects.

Changes in (future) profitability may have an adverse effect on the Issuer

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

Besides the general economic and competitive climate, monetary policy is among the most important factors determining bank profitability. By influencing the level of the interest rates and the shape of the interest rate curve, the European Central Bank (“ECB”) impacts in an important way the Net Interest Rate Margin (“NIM”) of commercial banks, like Belfius. This NIM contains the bank revenues from its normal lending and borrowing activity and for Belfius it constitutes a non-negligible part of the overall income. By making interest rates negative and by massively buying government bonds, the ECB exerts a negative pressure on this NIM, potentially reducing total profitability. Moreover, the interest rates that Belfius has to pay on its regulated deposits cannot go negative but are, by law, floored at 0.11% per year. This constitutes a cost for the bank, as retail deposits are an important source of funding. This cost increases when market rates decrease further. Depending on future evolutions of the economy and the inflation rate, the ECB may push interest rates further into negative territory and/or flatten the rate curve even further.

The Issuer’s business activities are subject to non-financial risks, including operational, reputational, compliance and legal risks

Non-Financial Risk (“NFR”) is covering all risks except “financial risks” (such as market, ALM, liquidity, credit and insurance risks). NFR covers among others operational risks (including fraud, HR, IT, IT security, business continuity, outsourcing, data-related risks, privacy, ...) as well as reputational, compliance and legal risks.

Belfius’ losses stemming from operational incidents remain relatively stable and limited. The main areas of operational losses were essentially due to incidents associated with external fraud and incidents in relation to execution, delivery and process management. Other categories remain limited in amount but not necessarily in number of events. When focussing on specific risks:

- Threats against data and information are their loss of integrity, their loss of confidentiality and their unplanned unavailability. The mission of information security is to guard against these threats. An information security strategy derived from these principles has been approved by the Board of Directors and is now applied by the organisation in all the information security axes. The new security roadmap has been aligned with the information security objectives and strategy approved by the Board of Directors. This helps to make sure all dimensions were taken into account without weak link.
- The respect for privacy and the protection of personal data is a key commitment at Belfius. GDPR conformity is integrated into the processes to offer products, innovative digital tools, services and information sharing to its clients.

- In line with the overall commitment to deliver value-adding products and services, Belfius wants to be extremely severe when assessing capacities with regards to fraud. A zero-tolerance policy line is applicable for all forms of fraud (internal, external as well as mixed fraud) and Belfius implements an extremely severe policy line to achieve its anti-fraud objectives. Based on the actual figures, Belfius' fraud losses remain limited. However, fraud risks are in constant evolution and require specific attention.

The Issuer is subject to risks affecting its liquidity

Liquidity risk consists of the risk that the Belfius Bank will not be able to meet both expected and unexpected current and future cash flows and collateral needs. The monitoring of this risk factor is done through internal and regulatory liquidity Key Risk Indicators (“**KRI**”) that are reported on a regular basis and the compliance with those KRI is also tested under stress scenarios.

The liquidity risk at Belfius Bank is mainly stemming from:

- the variability of the amounts of commercial funding collected from Retail and Private customers, small, medium-sized and large companies, public and similar customers and the way these funds are allocated to customers through all type of loans;
- the volatility of the collateral that is to be deposited at counterparties in respect of derivatives and repo transactions (so called cash & securities collateral);
- the value of the liquid reserves by virtue of which Belfius Bank can collect funding on the repo market and/or from the ECB;
- the capacity to obtain interbank and institutional funding.

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

The Issuer is subject to fluctuations caused by market risks

Market Risks are inherent to a range of Belfius Bank's businesses. Apart from the interest rate risk which is specified under the risk factor entitled “*Changes in (future) profitability may have an adverse effect on the Issuer*”, Belfius is particularly sensitive to changes in the market value (in the form of value adjustments) related to specific risks within its derivatives book (mostly market value linked to counterparty credit risk or to funding costs linked to collateral posted on the hedge transaction). These value adjustments are mostly related to the ex-legacy portfolio.

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

The Issuer is subject to competition from existing as well as new market players

Belfius Bank faces strong competition across all its markets from local and international financial institutions including banks, life insurance companies and mutual insurance organisations. The presence of Belfius solely limited to Belgium can be assessed as a competitive disadvantage compared to its peer competitors. While Belfius Bank believes it is positioned to compete effectively with these competitors, there can be no assurance

that increased competition will not adversely affect Belfius Bank's pricing policy and lead to losing market share in one or more markets in which it operates.

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

The introduction of the Payment Services Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market ("**PSD2**"), may enable the emergence of payment aggregators, which could in turn reduce the relevance of traditional bank platforms and weaken brand relationships. The development of ecosystems – which lead to the abolition of borders across economic sectors – could further exacerbate these threats.

Any failure by Belfius Bank to manage the competitive dynamics to which it is exposed could have a material adverse effect on its business, financial condition, results of operations, and prospects.

The Issuer is subject to substantial regulation and regulatory oversight in relation to its business and may be affected by increases or changes thereof

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

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

In addition, on 7 December 2017 the Basel Committee announced a final agreement on the finalisation of Basel III (applicable as from 2023 at the earliest). This will result in an increase of the capital requirements for CET1. Belfius expects this impact to be manageable. Such impact can preliminary be assessed around 1.00%-1.25% of CET1 ratio, based on the current agreement. This estimation is however subject to the transposition of the international agreement in EU legal framework, the discretion of the macro prudential authority to mitigate the impact of different measures and the forthcoming structure of the balance sheet. In the event that the European authorities when transposing the Basel agreement were to deviate from this final agreement, this could have a significant impact on Belfius Bank's solvency position. Besides, in the event that the discussions at the level of the Basel Committee on Banking Supervision regarding sovereign and public exposures were to lead to an agreement on these matters, this could also materially affect Belfius Bank's capital requirements. Finally, this impact does not take into account any Targeted Review of Internal Models (TRIM) potential effects as well as the implementation of EBA guidelines related to Loss Given Default (LGD) and new definition of default.

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

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

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

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

RISK FACTORS SPECIFIC TO THE NOTES

Risks related to all Series of Notes

Risks related to the liquidity of the Notes

The Notes may have no established trading market or, 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 the case for Notes that are particularly sensitive to interest rate, exchange rates 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. The liquidity of the Notes may also be affected by a downgrade of the credit ratings of the Issuer. A decrease in liquidity may have an adverse effect on the market value of the Notes. In addition, where a Noteholder is seeking to achieve a sale of the Notes within a short timeframe, such lower liquidity will negatively impact the selling price of the Notes.

Bail-in of senior debt and other eligible liabilities, including the Senior Notes, and write-down or conversion of tier 1 and tier 2 capital instruments, including the Subordinated Notes

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**Bank Recovery and Resolution Directive**” or “**BRRD**”) aims to provide supervisory and resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers’ exposure to losses.

This means that Noteholders may lose some or all of their investment (including outstanding principal and accrued but unpaid interest) as a result of the exercise by the resolution authority of the “bail-in” resolution tool (including the statutory loss absorption tools).

The Resolution Authority has the power to bail-in (i.e., write down or convert) more subordinated debt, if any (such as the claims of Eligible Creditors of the Issuer) and senior debt (such as the Senior Notes), after having written down or converted Tier 1 capital instruments and Tier 2 capital instruments (such as the Subordinated Notes). The bail-in power will enable the National Resolution Authority to recapitalise a failing institution by allocating losses to its shareholders and unsecured creditors (including the Noteholders) in a manner which is consistent with the hierarchy of claims in insolvency of a relevant financial institution. Under such hierarchy, the Senior Non-Preferred Notes would be written down or converted before the Senior Preferred Notes. The bail-in power includes the power to cancel a liability or modify the terms of contracts for the purposes of deferring the liabilities of the relevant financial institution and the power to convert a liability from one form to another.

In summary, the national resolution authority will be able to exercise its bail-in powers if the following (cumulative) conditions are met:

- (a) the determination that Belfius Bank is failing or is likely to fail has been made by the relevant regulator, which means that one or more of the following circumstances are present:
 - (i) Belfius Bank infringes or there are objective elements to support a determination that Belfius Bank will, in the near future, infringe the requirements for continuing authorisation in a way that would justify the withdrawal of the authorisation by the competent authority, including but not limited to because Belfius Bank has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;
 - (ii) the assets of Belfius Bank are or there are objective elements to support a determination that the assets of Belfius Bank will, in the near future, be less than its liabilities;
 - (iii) Belfius Bank is or there are objective elements to support a determination that Belfius Bank will, in the near future, be unable to pay its debts or other liabilities as they fall due;
 - (iv) Belfius Bank requests extraordinary public financial support,
- (b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action taken in respect of Belfius Bank would prevent the failure of Belfius Bank within a reasonable timeframe; and
- (c) a resolution action is necessary in the public interest.

The BRRD specifies that governments will only be entitled to use public money to rescue credit institutions if a minimum of 8% of the own funds and total liabilities have been written down, converted or bailed in or, by way of derogation, if the contribution to loss absorption and recapitalisation is equal to an amount not less than 20% of risk-weighted assets and certain additional conditions are met.

The exercise by the Resolution Authority of its resolution powers (including the statutory loss absorption powers) in relation to the Notes, or the (perceived) prospect of such exercise, could have a material adverse effect on the value of such Notes and could lead to the holders of such Notes losing some or all of their investment in their Notes.

Impact of conversion and bail-in powers on listings

To the extent the Subordinated Notes are written-down or converted or the Senior Notes are bailed-in or converted pursuant to the BRRD or otherwise, the Issuer does not expect any securities issued upon write-down, bail-in or 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. It is likely that any securities the Noteholders will receive upon the exercise of the write-down, bail-in or conversion power will not be listed for at least an extended period of time, if at all. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the Issuer at the time any securities are issued upon conversion of the Subordinated Notes or the Senior 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 write-down, bail-in or conversion power. As a result, there may not be an active market for any securities Noteholders may hold after the exercise of the write-down, bail-in or conversion powers.

MREL/TLAC Disqualification Event and Capital Disqualification Event: substitution, variation or redemption at the option of the Issuer

If specified as being applicable in the relevant Final Terms, then following a MREL/TLAC Disqualification Event (in case of Senior Notes) or following a Capital Disqualification Event (in case of Subordinated Notes), the Issuer may, at its sole discretion and without the consent of the Noteholders, either substitute the relevant Notes, or vary their terms, so that they become or remain Qualifying Securities (see Condition 6(d) (*Senior Notes and Subordinated Notes: Substitution and Variation*)). If the Issuer has not opted to substitute or vary the

Senior Notes or the Subordinated Notes (as the case may be) in accordance with the Terms and Conditions of the Notes following a MREL/TLAC Disqualification Event (in case of Senior Notes) or a Capital Disqualification Event (in case of Subordinated Notes) (if specified as being applicable in the relevant Final Terms), the relevant Notes may be redeemed early (in whole but not in part) at the Issuer's sole option at a price that can be lower than the price at which the Notes were purchased. Please also see *"The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions"*.

The exercise of these rights by the Issuer may have an adverse effect on the position of holders of the Notes, although Qualifying Securities need to be securities issued by the Issuer that have terms not materially less favourable than the terms of the substituted notes (and the Issuer will be required to have delivered to the Agent a certificate to that effect signed by two directors of the Issuer).

While the substitution or variation of the Notes, if any, will be the same for all holders of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, some holders may be more impacted than others. 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 such Notes prior to such substitution. Please also see *"Tax laws of the investors' jurisdictions and of the Issuer's jurisdiction may have an impact on the value and liquidity of, and return on, the Notes"*.

The Issuer is not prohibited from issuing further debt (which may rank pari passu with or senior to the Notes), and may be required to do so because of regulatory requirements, and any future debt may be on better terms than the Notes

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to, or *pari passu* with, the Notes. The issue of any such debt or securities may reduce the amount recoverable by investors upon the Issuer's insolvency. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including reduction of interest and principal and, if the Issuer were to be liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

The Issuer may be required to issue additional debt because of regulatory requirements. In order to make the bail-in power under the BRRD (as described above) effective, credit institutions (including the Issuer) must at all times meet a minimum requirement for own funds and eligible liabilities ("**MREL**") so that there is sufficient capital and liabilities available to stabilise and recapitalise failing credit institutions.

The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions

The Issuer may have an optional redemption right, in its sole and full discretion, in the circumstances and subject to the conditions set out in Condition 3(c) (*Redemption at the Option of the Issuer*), Condition 3(d) (*Redemption upon the occurrence of a Capital Disqualification Event*), Condition 3(e) (*Redemption upon the occurrence of a Tax Event*) and Condition 3(f) (*Redemption of Senior Notes upon the occurrence of a MREL/TLAC Disqualification Event*).

The Issuer's ability to redeem the Notes at its option may affect the market value of the Notes. In particular, during any period when the Issuer has the right to elect to redeem the Notes or the market anticipates that redemption might occur, such as when the Issuer's cost of borrowing is lower than the interest rate on the Notes, the market value of the Notes generally would not be expected to rise substantially above the redemption price.

If the Issuer redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which case Noteholders may only be able to reinvest the redemption proceeds in securities with a lower yield.

Credit ratings may not reflect all risks and a credit rating reduction may result in a reduction in the trading value of the Notes

The Issuer has been and the Notes may be assigned a credit rating by one or more independent credit rating agencies. Where applicable, the expected credit ratings of the Notes will be set out in the Final Terms of the relevant Series of Notes. Other Series of Notes may be unrated and one or more credit rating agencies may assign unsolicited additional credit ratings to the Notes.

In general, European regulated investors are restricted under the CRA Regulation 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 while the registration application is pending. Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

There is no guarantee that any ratings will be assigned and/or maintained. The ratings (including any unsolicited ratings) may furthermore not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors (including a change of control affecting the Issuer) 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 relevant rating agency at any time.

Finally, any negative change in or withdrawal of a rating assigned to the Issuer could adversely affect the trading price of the Notes, including where this would lead to a negative change in or withdrawal of a credit rating assigned to such Notes.

There are no events of default (other than in the event of a dissolution or liquidation of the Issuer) allowing acceleration of the Notes if certain events occur

The Terms and Conditions of the Notes do not provide for events of default (other than in the event of a dissolution or liquidation of the Issuer as provided in Condition 11 (*Events of Default*)) allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. The enforcement rights of investors are therefore limited, given that, upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings for the dissolution or liquidation of the Issuer in Belgium.

Risks related to reinvesting risk

The Noteholders are exposed to the reinvestment risk in several situations. For example, reinvestment risk arises in a declining interest rate environment because Noteholders will only be able to reinvest the principal and/or interest paid to them at lower interest rates compared to the interest rates prevailing at the time they subscribed the Notes. Reinvestment risk can be increased by the fact that Notes may include a redemption at the option of the Issuer (Call Option). If a Call Option is provided to be applicable in the relevant Final Terms, the Issuer may, redeem all or, if so provided, some of the Notes on the date or dates so provided. The Issuer may be expected to redeem Notes among others when its cost of borrowing is lower than the interest rate on the Notes.

The Noteholders may be bound by amendments to the (Conditions of) the Notes to which they did not consent, which may result in less favourable terms of the Notes for all or certain Noteholders

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 the 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 or, as the case may be, who did not sign the relevant written resolution or provide their electronic consents for the passing of the relevant resolution.

In addition, pursuant to Condition 2(p) (*Benchmark replacement*), if a Benchmark Event occurs, certain changes may be made to the interest calculation and related provisions of the Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes as well as the Agency Agreement in the circumstances and as otherwise set out in such Condition, without the requirement for the consent of the Noteholders.

Accordingly, there is a risk that the terms of the Notes may be modified, waived or varied in circumstances where a Noteholder does not agree to such modification, waiver or variation, which may adversely impact the rights of such Noteholder. Such decisions may for example relate to a reduction of the amount to be paid by the Issuer upon redemption of the Notes, which would then impact the return an investor may receive on its Notes.

Tax laws of the investors' jurisdictions and of the Issuer's jurisdiction may have an impact on the value and liquidity of, and return on, the Notes and are subject to changes

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 and/or in other jurisdictions in which it is required to pay taxes. This Base Prospectus includes general summaries of certain Belgian tax considerations relating to an investment in the Notes issued by the Issuer (see the section headed "*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. This may have an impact on the return which a Noteholder receives.

Furthermore, the Terms and Conditions of the Notes are, save to the extent referred to therein, based on legislation in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or changes to the laws in Belgium, other jurisdictions (such as FATCA under US law) or on a supranational level (e.g. EU Financial Transaction Tax) or administrative practice after the date of issue of the Notes. Investors should note that the provisions of the Terms and Conditions contain certain provisions dealing with a change of law. Such provisions will be applied in accordance with the law in force at the relevant time.

In addition, any relevant tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Notes may change at any time (including during any subscription period or the term of 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.

Reliance on the procedures of the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France or other Securities Settlement System participants for transfer, payment and communication with the Issuer

The Notes may be issued in dematerialised form under the Belgian Companies and Associations Code and cannot be physically delivered. The Notes may be represented by book entries in the records of the Securities Settlement System. Access to the Securities Settlement System is available through the Securities Settlement System participants whose membership extends to securities such as the Notes. The Securities Settlement System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*) and Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France.

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

Neither the Issuer, nor any Agent will have any responsibility for the proper performance by the Securities Settlement System or the Securities Settlement System participants of their obligations under their respective rules and operating procedures.

A Noteholder must rely on the procedures of the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France, Luxembourg to receive payments under the Notes. The Issuer nor any Agent will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa or Euroclear France.

Risks related to particular Series of Notes

Risks related to the Senior Notes

The Senior Notes are intended to be MREL/TLAC-Eligible Instruments under the Applicable MREL/TLAC Regulations.

Currently, global systemically important financial institutions (“**G-SIBs**”) have to meet, at all times, a MREL as well as the standard on total loss absorbing capacity (“**TLAC**”), which is set forth in a term sheet (the “**FSB TLAC Term Sheet**”) published by the Financial Stability Board (the “**FSB**”). The CRR II and the BRRD II give effect to the FSB TLAC Term Sheet and modify the requirements for MREL eligibility.

Because of the uncertainty surrounding the interaction between TLAC and MREL, the Issuer cannot provide any assurance that the Senior Notes will be or remain MREL/TLAC-Eligible Instruments. If they are not MREL/TLAC-Eligible Instruments (or if they initially are MREL/TLAC-Eligible Instruments and subsequently become ineligible due to a change in Applicable MREL/TLAC Regulations), then a MREL/TLAC Disqualification Event may occur. Please also see “*The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions*”.

Risks related to Senior Preferred Notes

Waiver of set-off

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Senior-Preferred Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Senior Preferred Note, be deemed to have waived all such rights of set-off.

Risks related to Senior Non-Preferred Notes

The Senior Non-Preferred Notes are senior non-preferred obligations and are junior to certain obligations

The Issuer’s obligations under the Senior Non-Preferred Notes constitute senior non-preferred obligations within the meaning of Article 389/1, 2° of the Belgian Banking Law (the “**Senior Non-Preferred Law**”). While the Notes by their terms are expressed to be direct, unconditional, senior (*chirographaires*) and unsecured obligations of the Issuer, they nonetheless rank junior in priority of payment to senior preferred obligations of the Issuer in the case of liquidation. The Issuer’s senior preferred obligations include all of its deposit obligations, its obligations in respect of derivatives and other financial contracts, its unsubordinated debt securities (including the Senior Notes outstanding as of the date of entry into force of the Senior Non-Preferred Law and after the entry into force of the Senior Non-Preferred Law, the Senior Preferred Notes) and all unsubordinated or senior debt securities issued thereafter that are not expressed to be senior non-preferred obligations (including the Senior Preferred Notes).

There is no restriction on the incurrence by the Issuer of additional senior preferred obligations. As a consequence, if the Issuer enters into liquidation proceedings, it will be required to pay substantial amounts of senior preferred obligations before any payment is made in respect of the Senior Non-Preferred Notes. Please also see “*The Issuer is not prohibited from issuing further debt (which may rank*

pari passu with or senior to the Notes), and may be required to do so because of regulatory requirements, and any future debt may be on better terms than the Notes”.

In addition, if the Issuer enters into resolution, its eligible liabilities (including the Senior Non-Preferred Notes) will be subject to bail-in, meaning potential write-down or conversion into equity securities or other instruments, in the order of priority that would apply in liquidation proceedings. Because senior non-preferred obligations such as the Senior Non-Preferred Notes rank junior to senior preferred obligations, the Senior Non-Preferred Notes would be written down or converted in full before any of the Issuer’s senior preferred obligations were written down or converted. Please also see “*Bail-in of senior debt and other eligible liabilities, including the Senior Notes, and write-down or conversion of tier 2 capital instruments, including the Subordinated Notes*”.

As a consequence, holders of Senior Non-Preferred Notes bear significantly more risk than holders of senior preferred obligations, and could lose all or a significant part of their investments if the Issuer were to enter into resolution or liquidation proceedings.

Senior non-preferred securities are new types of instruments for which there is no trading history

Prior to the entry into force of the Senior Non-Preferred Law, Belgian issuers were not able to issue securities with a senior non-preferred ranking. Accordingly, there is no trading history for securities of Belgian banks with this ranking. Market participants, including credit rating agencies, are in the initial stages of evaluating the risks associated with senior non-preferred obligations. The credit ratings assigned to senior non-preferred securities such as the Senior Non-Preferred Notes may change as the rating agencies refine their approaches, and the value of such securities may be particularly volatile as the market becomes more familiar with them. It is possible that, over time, the credit ratings and value of senior non-preferred securities such as the Senior Non-Preferred Notes will be lower than those expected by investors at the time of issuance of the Senior Non-Preferred Notes. If so, investors may incur losses in respect of their investments in the Senior Non-Preferred Notes.

The terms of the Senior Non-Preferred Notes contain very limited covenants

The Terms and Conditions of the Notes place no restrictions on the amount of debt that the Issuer may issue that ranks senior to the Senior Non-Preferred Notes, or on the amount of securities it may issue that rank *pari passu* with the Senior Non-Preferred Notes. The issue of any such debt or securities may impact the amount recoverable by Noteholders upon liquidation of the Issuer. Please also see “*The Issuer is not prohibited from issuing further debt (which may rank pari passu with or senior to the Notes), and may be required to do so because of regulatory requirements, and any future debt may be on better terms than the Notes*”.

In addition, the Senior Non-Preferred Notes do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer’s ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer’s ability to service its debt obligations, including those of the Senior Non-Preferred Notes.

The Issuer will not be required to redeem the Senior Non-Preferred Notes if it is prohibited by Belgian law from paying additional amounts

In the event that the Issuer is required to withhold amounts in respect of taxes from payments of interest on the Senior Non-Preferred Notes, the Terms and Conditions of the Notes provide that, subject to certain exceptions, the Issuer will pay additional amounts so that the holders of the Senior Non-Preferred Notes will receive the amount they would have received in the absence of such withholding. Under Belgian tax law, there is some uncertainty as to whether the Issuer may pay such additional amounts. Belgian

debt instruments typically provide that, if an issuer is required to pay additional amounts but is prohibited by Belgian law from doing so, the issuer must redeem the debt instruments in full. The Terms and Conditions of the Senior Non-Preferred Notes do not provide for mandatory redemption in the case where the Issuer is required to pay additional amounts but is prohibited by Belgian law from doing so. As a consequence, in such a case, holders will receive less than the full amount due under the Senior Non-Preferred Notes, and the market value of the Senior Non-Preferred Notes will be adversely affected, unless the Issuer is able and willing to redeem the Senior Non-Preferred Notes pursuant to one of the early redemption or repurchase options provided for in Condition 3 (*Redemption, Purchase and Options*).

Waiver of set-off

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Non-Preferred Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Senior Non-Preferred Note, be deemed to have waived all such rights of set-off.

Tax Gross-up

Investors should be aware that pursuant to the Terms and Conditions of the Notes there are no gross-up payments of principal in respect of Senior Non-Preferred Notes.

Risks related to the Subordinated Notes

Holders of Subordinated Notes will be required to absorb losses in the event the Issuer becomes non-viable or if the conditions for the exercise of resolution powers are met

Holders of Subordinated Notes will lose some or all of their investment as a result of a statutory write-down or conversion of the Subordinated Notes if the Issuer or the Issuer's group fails or is likely to fail, becomes non-viable, requires extraordinary public support or if otherwise the conditions for the exercise of resolution powers (including its statutory loss absorption powers) are met. Please also see "*Bail-in of senior debt and other eligible liabilities, including the Senior Notes, and write-down or conversion of tier 2 capital instruments, including the Subordinated Notes*".

The purpose of the statutory write-down and conversion powers is to ensure that the tier 1 and tier 2 capital instruments of the Issuer (including the Subordinated Notes) fully absorb losses in case of certain circumstances and before any resolution action (including the use of the bail-in tool) is taken.

The exercise by the Resolution Authority of its write down or conversion powers in relation to the Subordinated Notes, or the (perceived) prospect of such exercise, could have a material adverse effect on the value of the Subordinated Notes and could lead to the holders of Subordinated Notes losing some or all of their investment in the Subordinated Notes.

The Issuer's obligations under the Subordinated Notes will be subordinated

As more fully described in the Terms and Conditions of the Notes, the Issuer's obligations under the Subordinated Notes will be unsecured and subordinated and will rank:

- (a) (subject to any obligations which are mandatorily preferred by law) junior to the claims of (i) depositors and all other unsubordinated creditors and (ii) all Eligible Creditors of the Issuer (i.e., creditors holding claims that, in accordance with their terms, rank or are expressed to rank senior to the Subordinated Notes);
- (b) *pari passu* without any preference among themselves and *pari passu* with any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes; and

- (c) senior and in priority to (i) the claims of holders of all classes of share or other equity capital (including preference shares) of the Issuer, (ii) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, and (iii) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes.

The Subordinated Notes will generally pay a higher rate of interest than comparable securities that are not subordinated. However, there is an increased risk that an investor in the Subordinated Notes will lose all or some of its investment should the Issuer become insolvent taking into account the ranking of the Subordinated Notes.

Waiver of set-off

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Subordinated, be deemed to have waived all such rights of set-off.

Tax Gross-up

Investors should be aware that pursuant to the Terms and Conditions of the Notes there are no gross-up payments of principal in respect of Subordinated Notes.

Risks related to certain notes which are linked to “benchmarks”; benchmark discontinuation

Amendments to or discontinuance of LIBOR, EURIBOR or other reference rates may adversely affect the value and liquidity of and return on certain Notes

Reference Rates and indices, including interest rate benchmarks, such as the Euro Interbank Offered Rate (“EURIBOR”) and the London Interbank Offered Rate (“LIBOR”), which are used to determine the amounts payable under financial instruments or the value of such financial instruments (“Benchmarks”) have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

In particular, on 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicated that the continuation of LIBOR on the current basis is not guaranteed after 2021. Subsequent speeches by the Chief Executive of the United Kingdom Financial Conduct Authority and other Financial Conduct Authority officials have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. Other interbank offered rates suffer from similar weaknesses to LIBOR and although work continues on reforming their respective methodologies to make them more grounded in actual transactions, they may be discontinued or be subject to changes in their administration.

Any changes to the administration of a Benchmark or the emergence of alternatives to a Benchmark as a result of these reforms, may cause such Benchmark to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of a Benchmark or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such Benchmark.

Uncertainty as to the nature of alternative reference rates and as to potential changes to a Benchmark may adversely affect such Benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same Benchmark. The development of alternatives to a Benchmark may result in Notes linked to or referencing such Benchmark performing differently than would otherwise have been the case if such alternatives to such Benchmark had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes referencing or linked to a Benchmark.

Condition 2(p) (*Benchmark replacement*) provides for certain fall-back arrangements in the event that a Benchmark Event occurs, for example where a published Benchmark, such as LIBOR, (including any page on which such Benchmark may be published (or any successor service)) becomes unavailable. If a Benchmark Event occurs, the Issuer may, after appointing and consulting with an Independent Adviser, determine a Successor Rate or Alternative Reference Rate to be used in place of the relevant Benchmark where that relevant Benchmark has been selected as the Reference Rate or Mid-Swap Rate (as applicable) to determine the Rate of Interest. The use of any such Successor Rate or Alternative Reference Rate to determine the Rate of Interest may result in Notes linked to or referencing the relevant Benchmark performing differently (including paying a lower Rate of Interest) than they would do if the relevant Benchmark were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Reference Rate for the relevant Benchmark is determined by the Issuer, the Terms and Conditions provide that the Issuer may vary the Terms and Conditions, as necessary, to ensure the proper operation of such Successor Rate or Alternative Reference Rate, without any requirement for consent or approval of the Noteholders. Please also refer to the risk factor entitled *“The Noteholders may be bound by amendments to the (Conditions of) the Notes to which they did not consent, which may result in less favourable terms of the Notes for all or certain Noteholders”*.

If a Successor Rate or Alternative Reference Rate is determined by the Issuer, the Terms and Conditions also provide that an Adjustment Spread will be determined by the Issuer to be applied to such Successor Rate or Alternative Reference Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as is practicable, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the relevant Benchmark with the Successor Rate or the Alternative Reference Rate. However, there is no guarantee that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders.

In addition, if the relevant Benchmark is discontinued permanently and the Issuer, for any reason, is unable to determine the Successor Rate or Alternative Reference Rate, the Rate of Interest may revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the relevant Benchmark was discontinued and such Rate of Interest will continue to apply until maturity. This will result in the relevant Notes, in effect, becoming Fixed Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an “IBOR” Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to the Sterling Overnight Index Average (“**SONIA**”) as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market’s forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions and used in relation to Floating Rate Notes that reference a SONIA rate issued under this Prospectus. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Notes become due and payable under Condition 11 (*Events of Default*), the Rate of Interest payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

Risks related to Notes which have a particular use of proceeds identified in the relevant Final Terms

The definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a “sustainable”, “green” or equivalently-labelled project or a loan that may finance such project, is currently under development. On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the “**Taxonomy Regulation**”). Within the framework of the Taxonomy Regulation, the Technical Expert Group on Sustainable Finance (“**TEG**”) has been asked to develop recommendations for technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation. On 9 March 2020, the TEG published its final report on the EU taxonomy. The report contains recommendations relating to the overarching design of the EU Taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy. On 15 April 2020, the Council adopted by written procedure its position at first reading with respect to the Taxonomy Regulation. The European Parliament will have to vote on the text pursuant to the “early second reading agreement” procedure. On this basis, the European Commission will be tasked to establish the actual classification by defining technical screening criteria, in the form of delegated acts, for each relevant environmental objective and sector respectively. The TEG’s recommendations are designed to support the European Commission in the development of the delegated act on climate change mitigation and climate change adaptation under the Taxonomy Regulation. The taxonomy for climate change mitigation and climate change adaptation should be established by the end of 2020 in order to ensure its full application by end of 2021. For the four other objectives, the taxonomy should be established by the end of 2021 for an application by the end of 2022. Further development of the EU Taxonomy will take place via a new Platform on Sustainable Finance, which is expected to be operating by autumn 2020.

There can be no assurance by the Issuer that the use of proceeds of Notes identified in the relevant Final Terms will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

While it is the intention of the Issuer to apply the proceeds of any Notes in, or substantially in the manner described in the relevant Final Terms, there can be no assurance that such application of the proceeds will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timeframe, or that such proceeds will be disbursed as planned. Nor can there be any assurance that such Notes or the activities

or projects they finance (or refinance) will have the results or outcome (whether or not related to environmental, sustainability, or other objectives) originally expected or anticipated by the Issuer.

Any such event or failure to apply the proceeds of any issue as described in the Final Terms, any withdrawal of any applicable opinion or certification, any opinion or certification to the effect that the Issuer is not complying in whole or in part with criteria or requirements covered by such opinion or certification or any change to the selection criteria may have an adverse effect on the value of the Notes, and may result in adverse consequences for certain investors with portfolio mandates to invest securities to be used for a particular purpose.

Risks related to foreign currency Notes

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.

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 or the Specified 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.

Risks related to the trading markets and credit ratings

The market value of Notes issued at a substantial discount or premium may fluctuate more than on conventional interest-bearing securities

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.

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.

OVERVIEW OF THE PROGRAMME

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980, as amended.

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Base 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 ” and the “ Issuer ”).
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 1210 Brussels, Place Charles Rogier 11, Belgium, telephone +32 22 22 11 11. Legal Entity Identifier (LEI): A5GWLFFH3KM7YV2SFQL84.
Information relating to the Programme	
Size	EUR 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	Société Générale
Dealers	Barclays Bank Ireland PLC Barclays Bank PLC Belfius Bank SA/NV BNP Paribas BofA Securities Europe SA Citigroup Global Markets Europe AG Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Crédit Suisse Securities (Europe) Limited J.P. Morgan Securities plc Landesbank Baden-Württemberg Merrill Lynch International Morgan Stanley & Co. International plc NatWest Markets Plc Nomura International plc Société Générale UBS AG London Branch 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 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 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 Notes, in which case a different Listing Agent may be specified in the applicable Final Terms.
Agency Agreement	The agency agreement between the Issuer, the Fiscal Agent and the Paying Agent dated 11 May 2020.
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 the Belgian Companies and Associations Code via the book-entry system maintained in the records of the National Bank of Belgium as operator of the Securities Settlement System.
Clearing Systems	The settlement system operated by the National Bank of Belgium or any successor thereto (the “ Securities Settlement System ”). Access to the Securities Settlement System is available through those of the participants in the Securities Settlement System whose membership extends to securities such as the Notes. Participants in the Securities Settlement System include certain banks, stockbrokers (<i>beursvennootschappen/sociétés de bourse</i>), Euroclear Bank SA/NV (“ Euroclear ”), Clearstream Banking Frankfurt (“ Clearstream ”), SIX SIS AG (“ SIX SIS ”), Monte Titoli S.p.A. (“ Monte Titoli ”), Interbolsa S.A. (“ Interbolsa ”).

and Euroclear France SA (“**Euroclear France**”). Accordingly, the Notes will be eligible to clear through, and therefore accepted by, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France and investors can hold their interests in the Notes within securities accounts in Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa or Euroclear France.

Initial Delivery of Notes

Notes will be credited to the accounts held with the Securities Settlement System by Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa or Euroclear France or any other Securities Settlement System participants.

Currencies

Subject to compliance with all relevant laws, regulations and directives (including the rules of the Securities Settlement 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 Prospectus Law, prospectuses relating to money market instruments having a maturity on issue of less than twelve months and complying also with the definition of securities are not subject to the approval provisions of the Prospectus Regulation and Part II of the Luxembourg Prospectus 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 in the United Kingdom or offered to the public in an EEA Member State or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be EUR 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 would otherwise constitute 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.

If an indication of yield is included 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.

	<p>It is not an indication of future yield.</p>
Resettable Notes	<p>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.</p>
Step-Up Notes	<p>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.</p>
Floating Rate Notes	<p>Floating Rate Notes will bear interest set separately for each Series as follows:</p> <ul style="list-style-type: none">(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined below), as published by the International Swaps and Derivatives Association, Inc.; or(ii) by reference to EURIBOR, LIBOR or SONIA (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. <p>Interest Periods will be specified in the applicable Final Terms.</p>
CMS-Linked Interest Notes:	<p>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.</p> <p>Interest Periods will be specified in the applicable Final Terms.</p>
Maximum or Minimum Rates of Interest	<p>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.</p>
Fixed to Floating Rate Notes and Floating to Fixed Rate Notes	<p>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.</p>
Range Accrual Notes	<p>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/or lesser than or equal to a specified maximum rate of interest.</p>
Zero Coupon Notes	<p>Zero Coupon Notes will be issued at a price which is at a discount to their principal amount, and will not bear interest.</p>

Redemption

Notes will be redeemed either (i) at 100% per Calculation Amount, or (ii) at an amount per Calculation Amount specified in the applicable Final Terms, **provided that** the amount so specified shall be at least 100% per Calculation Amount.

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 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 – Condition 3(e)”. If specified in the applicable Final Terms, Notes may be redeemed (i) in respect of Subordinated Notes, upon the occurrence of a Capital Disqualification Event, or (ii) in respect of Senior Notes, upon the occurrence of a MREL/TLAC Disqualification Event.

Status of Notes

The Notes may be either senior notes (the “**Senior Notes**”) or subordinated notes (the “**Subordinated Notes**”) and the Senior Notes may be either senior preferred notes (the “**Senior Preferred Notes**”) or senior non-preferred notes (“**Senior Non-Preferred Notes**”), in each case as specified in the relevant Final Terms. The existing Senior Notes whose Final Terms do not specify whether they constitute Senior Preferred Notes or Senior Non-Preferred Notes are *pari passu* with the Senior Preferred Notes.

Senior Preferred Notes:

The Senior Preferred Notes will be direct, unconditional and unsecured obligations of the Issuer and rank at all times (i) *pari passu*, without any preference among themselves, and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, which will fall or be expressed to fall within the category of obligations described in article 389/1, 1° of the Belgian Banking Law, but, in the event of insolvency, only to the extent permitted by laws relating to creditors’ rights, (ii) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking junior to Senior Non-Preferred Obligations and (iii) junior to all present and future claims benefitting from legal or statutory preferences.

It is the intention of the Issuer that the Senior Preferred Notes shall be treated, for regulatory purposes, as MREL/TLAC-Eligible Instruments under the Applicable MREL/TLAC Regulations.

Where:

“**Senior Non-Preferred Obligations**” means any obligations or other instruments issued by the Issuer which fall or are expressed

to fall within the category of obligations described in article 389/1, 2° of the Belgian Banking Law.

“Applicable MREL/TLAC Regulations” means, at any time, the laws, regulations, requirements, guidelines and policies giving effect to (i) MREL and (ii) the principles set forth in the FSB TLAC Term Sheet or any successor principles. If there are separate laws, regulations, requirements, guidelines and policies giving effect to the principles described in (i) and (ii), then “Applicable MREL/TLAC Regulations” means all such regulations, requirements, guidelines and policies.

“FSB TLAC Term Sheet” means the Total Loss Absorbing Capacity (TLAC) term sheet set forth in the document dated 9 November 2015 published by the Financial Stability Board, entitled “Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution,” as amended from time to time. For the time being, Belfius Bank is not a G-SIB as defined under the FSB TLAC term Sheet and is therefore currently not subject to the FSB TLAC Term Sheet.

“MREL” means the “minimum requirement for own funds and eligible liabilities” for banking institutions referred to in BRRD and CRD, or any other EU laws and regulations implemented in Belgian laws and regulations and/or as set out in policies and/or principles of the SRB as the case may be, and/or as per the FSB TLAC Term Sheet.

“MREL/TLAC-Eligible Instrument” means an instrument that is eligible to be counted towards the MREL of the Issuer or that constitutes a TLAC-eligible instrument of the Issuer (within the meaning of the FSB TLAC Term Sheet, and to the extent applicable to the Issuer), in each case in accordance with Applicable MREL/TLAC Regulations.

Senior Non-Preferred Notes:

The Senior Non-Preferred Notes are issued pursuant to the provisions of article 389/1, 2° of the Belgian Banking Law. The Senior Non-Preferred Notes will be direct, unconditional and unsecured obligations of the Issuer and rank at all times (i) *pari passu*, without any preference among themselves, and with other Senior Non-Preferred Obligations of the Issuer, (ii) senior to Subordinated Notes and Eligible Creditors of the Issuer and (iii) junior to Senior Preferred Notes of the Issuer and all present and future claims benefiting from legal or statutory preferences. Subject to applicable law, if any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, the Noteholders will have a right to payment under the Senior Non-Preferred Notes (i) only after, and subject to, payment in full of holders of Senior Preferred Notes and other present and future claims benefiting from legal or statutory preferences or otherwise ranking in priority to Senior Non-Preferred Obligations and (ii) subject to such payment in

full, in priority to holders of Subordinated Notes and Eligible Creditors of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations.

It is the intention of the Issuer that the Senior Non-Preferred Notes shall be treated, for regulatory purposes, as MREL/TLAC-Eligible Instruments under the Applicable MREL/TLAC Regulations.

Where:

“Applicable MREL/TLAC Regulations” means, at any time, the laws, regulations, requirements, guidelines and policies giving effect to (i) MREL and (ii) the principles set forth in the FSB TLAC Term Sheet or any successor principles. If there are separate laws, regulations, requirements, guidelines and policies giving effect to the principles described in (i) and (ii), then “Applicable MREL/TLAC Regulations” means all such regulations, requirements, guidelines and policies.

“FSB TLAC Term Sheet” means the Total Loss Absorbing Capacity (TLAC) term sheet set forth in the document dated 9 November 2015 published by the Financial Stability Board, entitled “Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution,” as amended from time to time. For the time being, Belfius Bank is not a G-SIB as defined under the FSB TLAC term Sheet and is therefore currently not subject to the FSB TLAC Term Sheet.

“MREL” means the “minimum requirement for own funds and eligible liabilities” for banking institutions referred to in BRRD and CRD, or any other EU laws and regulations implemented in Belgian laws and regulations and/or as set out in policies and/or principles of the SRB as the case may be, and/or as per the FSB TLAC Term Sheet.

“MREL/TLAC-Eligible Instrument” means an instrument that is eligible to be counted towards the MREL of the Issuer or that constitutes a TLAC-eligible instrument of the Issuer (within the meaning of the FSB TLAC Term Sheet, and to the extent applicable to the Issuer), in each case in accordance with Applicable MREL/TLAC Regulations.

Subordinated Notes:

The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. In the event of dissolution or liquidation of the Issuer (including the following events creating a competition between creditors (“*samenloop van schuldeisers/concours de créanciers*”): bankruptcy (“*faillissement/faillite*”), 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 and claims of the holders of Subordinated Notes against the Issuer shall be for an amount equal to the principal amount of each Subordinated Note together with any amounts attributable to such Subordinated Notes and shall rank:

- (a) subject to any obligations which are mandatorily preferred by law, junior to the claims of (1) depositors and all other unsubordinated creditors and (2) all Eligible Creditors of the Issuer;
- (b) *pari passu* without any preference among themselves and *pari passu* with any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes; and
- (c) senior and in priority to (1) the claims of holders of all classes of share or other equity capital (including preference shares) of the Issuer, (2) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, and (3) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes.

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Note, be deemed to have waived all such rights of set-off.

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 Preferred Notes with a maturity of one year or more, A-2 in respect of Senior Preferred Notes with a maturity of less than one year, BBB+ in respect of Senior Non-Preferred Notes and BBB in respect of the Subordinated Notes by S&P Global Ratings Europe Limited ("**Standard & Poor's**") and A1 in respect of Senior Preferred Notes with a maturity of one year or more, Prime-1 in respect of Senior Preferred Notes with a maturity of less than one year, Baa2 in respect of Senior Non-Preferred Notes and Baa2 in respect of the Subordinated Notes 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 (<https://www.esma.europa.eu/>) (on or about the date of this Base Prospectus).

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*" and "*Taxation on the Notes*".

Governing Law

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 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended, or the Series of Notes may remain unlisted. The CSSF, in its capacity as the competent authority under the Prospectus Regulation, has approved this Base Prospectus as a base prospectus for the purposes of the Prospectus Regulation. 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.

Application has been made to the Luxembourg Stock Exchange to approve the Base Prospectus for the issue of Notes having a maturity on issue of less than twelve months pursuant to Part III, Chapter 2 of the Luxembourg Prospectus Law.

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.

The Notes may not be addressed to EEA and UK Retail

Investors. See “*Subscription and Sale*”.

The Notes are not intended to be offered sold, or otherwise made available to, and will not be offered, sold or otherwise made available, in Belgium, to “consumers” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

Use of Proceeds

The net proceeds of the issue of the Notes will be used by Belfius Bank for its general corporate purposes. If, in respect of any particular issuance, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (i) the Terms and Conditions of the Notes set out at pages 60 to 106 of the Base Prospectus dated 26 April 2019 relating to Belfius Bank's EUR 10,000,000,000 Euro Medium Term Note Programme (available on https://www.belfius.be/about-us/dam/corporate/investors/debt-issuances/emtn-programme/-prospectus-and-supplements-/Belfius_2019_EMTN_Update_Prospectus.pdf);
- (ii) the audited consolidated accounts of Belfius Bank for the financial year ended 31 December 2018, including the report of the statutory auditors in respect thereof (available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_RA_2018_en.pdf);
- (iii) the audited consolidated accounts of Belfius Bank for the financial year ended 31 December 2019, including the report of the statutory auditors in respect thereof (available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Belfius_Annual_Report_2019.pdf);
- (iv) the disclosure document on "Alternative Performance Measures" for the financial year ended 31 December 2018 (available on <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/APM.pdf>); and
- (v) the disclosure document on "Alternative Performance Measures" for the financial year ended 31 December 2019 (available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/APM_FY_2019.pdf).

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

This Base Prospectus and the documents incorporated by reference in this Base Prospectus are available on the website of the Issuer (www.belfius.be/about-us/en/investors) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The tables below set out the relevant page references for the (i) consolidated balance sheet, (ii) consolidated statement of income, (iii) consolidated statement of comprehensive income, (iv) consolidated statement of change in equity, (v) consolidated cash flow statement, (vi) audit report on the consolidated accounts, (vii) notes to the consolidated financial statements, (viii) non-consolidated balance sheet, (ix) non-consolidated statement of income and (x) audit report on the non-consolidated accounts, as set out in the 2018 and 2019 Annual Reports of Belfius Bank.

Information contained in the documents incorporated by reference other than information listed in the table below does not form part of this Base Prospectus. Such information is considered as additional information and is not required by the relevant schedules of Commission Delegated Regulation (EU) 2019/980. To the extent that any document or information which is incorporated by reference in this Base Prospectus itself incorporates any document or information by reference, either express or implied, such document or information will not form part of this Base Prospectus, except where such document or information is specifically stated to be incorporated by reference in this Base Prospectus or where this Base Prospectus is specifically defined as including such document or information.

The consolidated balance sheet and consolidated statement of income of Belfius Bank for the years 2018 and 2019 can also be found in the section headed “*Selected Financial Information*” on pages 116 to 119 of this Base Prospectus.

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

	Belfius Bank SA/NV	
	Annual Report 2018 (English Version)	Annual Report 2019 (English Version)
consolidated balance sheet	144-147	176-177
consolidated statement of income	148	178
consolidated statement of comprehensive income	150-151	180-181
consolidated statement of change in equity	152-157	182-186
consolidated cash flow statement	158-160	187-188
notes to the consolidated financial statements	161-317	189-324
audit report on the consolidated accounts	318-327	326-333
non-consolidated balance sheet	330-331	336-337
non-consolidated statement of income	333-334	339-340

Alternative performance measures for the financial years ended 31 December 2018 and 31 December 2019

	Belfius Bank SA/NV	
	Alternative performance measures 2018	Alternative performance measures 2019
common equity tier 1 ratio	1	1
tier 1 ratio	1	1
total capital ratio	2	1
leverage ratio	2	1
solvency II ratio	2	2
net interest margin	3	2
cost-income ratio	3	3
asset quality ratio	4	3
coverage ratio	4	3
liquidity coverage ratio	5	2
net stable funding ratio	5	2
return on equity	6	4

	<i>Documents incorporated by reference</i>	
total savings and investments	7-8	5-6
total loans to customers	8	6
ALM liquidity bond portfolio	9	6
ALM yield bond portfolio	9	6
credit guarantee portfolio	9	7
funding diversification	10-11	7-8
adjusted results	12-16	10-13

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a supplement in accordance with Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which, once approved by the CSSF in its capacity as the competent authority under the Prospectus Regulation, in respect of any subsequent issue of Notes to be listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange, shall constitute a prospectus supplement in accordance with Article 23 of the Prospectus Regulation.

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 material inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer, the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer, the Issuer shall prepare a supplement (in accordance with Article 23 of the Prospectus Regulation) to this Base 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 Base 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 Base 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 Belfius Bank’s EUR 10,000,000,000 Euro Medium Term Note Programme (the “**Programme**”). 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 Agency Agreement dated on or about 11 May 2020 (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 (or in all respects except for the date for and amount of the first payment of interest).

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 Regulation, the minimum Specified Denomination shall be EUR 100,000 and integral multiples of EUR 100,000 (or, in each case, its equivalent in any other currency as at the date of issue of the relevant Notes).

In these Terms and Conditions, “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

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 Securities Settlement System in accordance with the Belgian Companies and Associations Code and will be credited to the accounts held with the Securities Settlement System by Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking Frankfurt (“**Clearstream**”), SIX SIS AG (“**SIX SIS**”), Monte Titoli S.p.A. (“**Monte Titoli**”), Interbolsa S.A. (“**Interbolsa**”), Euroclear France SA (“**Euroclear France**”) or other Securities Settlement System participants for credit by Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France or other Securities Settlement System participants to the securities accounts of their subscribers.

In these Terms and Conditions, “**Securities Settlement System**” means the settlement system operated by the NBB or any successor thereto.

Transfers of Notes will be effected only through records maintained by the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France or other Securities Settlement System participants and in accordance with the applicable procedures of the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France or other Securities Settlement 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 maintained in the records of the NBB.

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

- (i) **General.** Each Fixed Rate Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal (subject as provided in 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).
- (ii) **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)(i) 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:

- (i) 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;
- (ii) at the First Reset Rate of Interest from and including the First Resettable Note Reset Date, to but excluding:
 - (A) the Second Resettable Note Reset Date, if such a Second Resettable Note Reset Date is specified in the applicable Final Terms; or
 - (B) the Maturity Date, if no such Second Resettable Note Reset Date is specified in the applicable Final Terms; and
- (iii) 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 Resettable Note 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

- (i) **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, the CMS Rate 1 and the CMS Rate 2, as the case may be, in respect of CMS-Linked Interest Notes shall be determined as set out in the definition of CMS Rate, CMS Rate 1 and CMS Rate 2, respectively, in Condition 2(n) 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).
- (ii) **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 (ii), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (A) the Floating Rate Option is as specified in the applicable Final Terms;
 - (B) the Designated Maturity is as specified in the applicable Final Terms; and
 - (C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph (ii), “**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.

- (iii) **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) and Condition 2(p) below, be either:
- (A) the offered quotation; or
 - (B) 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 (other than for Resettable Notes):

- (x) if the Relevant Screen Page is not available or if sub-paragraph (iii)(A) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (iii)(B) 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).
- (z) where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the Final Terms as being SONIA, the Rate of Interest for each Interest Period will, subject to the conditions provided below, be Compounded Daily SONIA, plus or

minus (as indicated in the applicable Final Terms) the Margin (if any), as determined by the Calculation Agent.

If the relevant Series of Notes become due and payable in accordance with Condition 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date.

“Compounded Daily SONIA” means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_{i-5\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Interest Period;

“do” is the number of London Banking Days in the relevant Interest Period;

“i” is a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

“London Banking Day” or **“LBD”** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“ni”, for any day “i”, means the number of calendar days from and including such day “i” up to but excluding the following London Banking Day;

“Observation Period” means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling five London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling five London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

the **“SONIA reference rate”**, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (“SONIA”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

“SONIA_{i-5LBD}” means, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling five London Banking Days prior to the relevant London Banking Day “i”.

If, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for purposes of the relevant Series of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

If, on any Interest Determination Date, the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, the Rate of Interest for the relevant Interest Period shall be (i) that 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 Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

- (iv) **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, subject as provided in Condition 2(p) below, 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:

- (A) 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:

$$CMS\ Rate + Margin$$

- (B) 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:

$$Leverage \times CMS\ Rate + Margin$$

- (C) 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:

$$CMS\ Rate\ 1 - CMS\ Rate\ 2 + Margin$$

- (D) 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:

$$[Leverage \times (CMS \text{ Rate } 1 - CMS \text{ Rate } 2)] + Margin$$

- (v) **Margin, Minimum Rate of Interest, Maximum Rate of Interest.** The determination of the Rate of Interest pursuant to Conditions 2(b)(ii) or 2(b)(iii) above shall be subject to the following:
- (A) 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.
 - (B) In relation to Notes other than 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)(ii) or 2(c)(iii), as applicable, and the absolute value of such Leverage.
 - (C) 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)(i), 2(c)(ii), 2(c)(iii) or 2(c)(iv), as applicable, *and* (ii) such Maximum Rate of Interest.
 - (D) 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)(i), 2(c)(ii), 2(c)(iii) or 2(c)(iv), 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*

- (i) **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:
 - (A) 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
 - (B) with respect to each Interest Period thereafter, at a floating Rate of Interest in accordance with Condition 2(c) and the applicable Final Terms.
- (ii) **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:
 - (A) 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
 - (B) 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 Zero Coupon Note 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 described in Condition 3(b)).

(f) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption, 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).

(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:

- (i) the “**Following Business Day Convention**”, such date shall be postponed to the next day that is a Business Day; or
- (ii) the “**Modified Following Business Day Convention**”, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) except in the case of the Maturity Date, such date shall be brought forward to the immediately preceding Business Day, and (B) in the case of the Maturity Date, such date shall be the next date on which the Securities Settlement System is open, without adjustment of the Calculation Period.

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), (i) 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), (ii) all figures shall be rounded to seven significant figures (with halves being rounded up) and (iii) 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:

$$\text{Rate of Interest} = \text{Specified Rate} \times \text{Relevant Proportion} \times \text{Day Count Fraction},$$

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 (other than in circumstances provided for in Condition 2(p)), 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 soon as practically possible on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent in due time 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 only one or none of the Reference Banks provides the Calculation Agent in due time 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 in accordance with the relevant Mid-Swap Rate applicable on the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be calculated on the basis of the relevant Mid-Swap Rate that was published on the second Business Day prior to the Interest Commencement Date.

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 Calculation Agent on the advice of an investment bank of international repute.

(l) Linear interpolation

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

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

For the purposes of this Condition 2(l), “**Designated Maturity**” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(m) Determination and Publication of Rates of Interest, Interest Amounts and Redemption Amounts

The Calculation Agent shall, as soon as practicable on each date as the Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation (and, in the case of Resetable 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, 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 Resetable Note Interest Payment Date and, if required to be calculated, the Redemption 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, Resetable Note Interest Payment Date, Reset Date or Interest Period Date is subject to adjustment pursuant to Condition 2(g), the Interest Amounts and the Interest Payment Date or Resetable 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, save in the case of Compounded Daily SONIA for the purposes of Condition 2(c)(iii)(z) 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 and Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(n) 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 relation to all Notes other than those denominated in euro, a day (other than a Saturday or Sunday) on which (A) commercial banks and foreign exchange markets settle payments in Belgium and (B) commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the currency in which the relevant Notes are denominated

and (ii) in relation to Notes denominated in euro, a day (other than a Saturday or Sunday) (A) on which banks and forex markets are open for general business in Belgium and (B) on which the Securities Settlement System is operating and (C) (if a payment in euro is to be made on that day) which is a day on which the TARGET 2 System is operating (a “**TARGET Business Day**”), and in relation to both (i) and (ii) above, such other day as may be agreed between the Issuer and the relevant Dealer(s) or the Lead Manager on behalf of the relevant Dealers (as the case may be) and specified in the Final Terms.

“**CMS-Linked Interest Notes**” 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.

“**CMS Rates**” means any CMS Rate, CMS Rate 1 and/or CMS Rate 2, as the case may be.

“**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:

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

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

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

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

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

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D₁**, is greater than 29, in which case **D₂** will be 30;

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

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

where:

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

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

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

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

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

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D₂** will be 30;

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

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

where:

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

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case **D₂** will be 30;

- (vii) if “**Actual/Actual-ICMA**” is specified in the applicable Final Terms,

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the

number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Period” means the period from and including 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 or the Resettable Note Interest Payment Date (as the case may be) 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) 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 Notes” 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 or Resettable 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 (and the Reference Rate is other than SONIA) 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 or Resettable Note Interest Payment Date (as the case may be) and each successive period beginning on (and including) an Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) and ending on (but excluding) the next succeeding Interest Payment Date or Resettable Note Interest Payment Date (as the case may be).

“Interest Period Date” means each Interest Payment Date or Resettable Note Interest Payment Date unless otherwise specified 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) above, either:

- (i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) 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% (0.0005% being rounded upwards) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) 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.

“Redemption Amount” means (i) Zero Coupon Note Redemption Amount, (ii) Final Redemption Amount, (iii) Redemption Amount (Call), (iv) Capital Disqualification Event Early Redemption Price, (v) Tax Event Redemption Amount, or (vi) Event of Default Redemption Amount.

“Reference Banks” means (i) in relation to Notes other than CMS-Linked Interest Notes and Resettable 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 relevant CMS Rate(s).

“Relevant Proportion” shall be calculated by *dividing* (i) the number of days during the relevant Interest Accrual Period on which the Reference Rate is less 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, or any successor thereto or replacement page commonly accepted in the market, as determined by the Calculation Agent.

“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, (i) in respect of the First Reset Period, the second Business Day prior to the First Resettable Note Reset Date, (ii) in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Resettable Note Reset Date and, (iii) 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) above, 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 2 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.

(o) 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 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.

(p) Benchmark replacement

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

- (i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with an Independent Adviser with a view to the Issuer determining (without any requirement for the consent or approval of the Noteholders) (A) a Successor Rate (as defined below) or, failing which, an Alternative Reference Rate (as defined below), for purposes of

determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes and (B) in either case, an Adjustment Spread (as defined below);

- (ii) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 2(p);
- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate or Mid-Swap Rate (as applicable) for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 2(p));
- (iv) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or Alternative Reference Rate (as applicable). If the Issuer, following consultation with the Independent Adviser (if any) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (v) if the Issuer, following consultation with the Independent Adviser (if any), determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the Noteholders) also specify changes to these Terms and Conditions and/or the Agency Agreement in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread, including but not limited to (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Reset Determination Date and/or the definition of Reference Rate or Mid-Swap Rate applicable to the Notes and (B) the method for determining the fall-back rate in relation to the Notes. For the avoidance of doubt, the Fiscal Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Terms and Conditions as may be required in order to give effect to the application of this Condition 2(p). No consent shall be required from the Noteholders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps to be taken by the Fiscal Agent and any other agents party to the Agency Agreement (if required or useful); and
- (vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread, give notice thereof to the Calculation Agent, the Fiscal Agent and, in accordance with Condition 8, the Noteholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the applicable Adjustment Spread and any consequential changes made to the Agency Agreement and these Terms and Conditions (if any),

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

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

Notwithstanding any other provision in this Condition 2(p), no Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread will be adopted, and no other amendments to the Terms and Conditions of the Notes will be made pursuant to this Condition 2(p), if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in (i) a change in the regulatory classification of the Notes giving rise to a Capital Disqualification Event (in the case of Subordinated Notes) or a MREL/TLAC Disqualification Event (in the case of Senior Notes) and/or (ii) (in the case of Senior Notes) the Relevant Resolution Authority and/or the Lead Regulator treating the next reset date as the effective maturity of the Notes, rather than the relevant Maturity Date.

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

For the purposes of this Condition 2(p):

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate or Mid-Swap Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any) determines is customarily applied to the relevant Successor Rate or Alternative Reference Rate (as applicable) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate or Mid-Swap Rate (as applicable); or
- (iii) if the Issuer determines that no such spread is customarily applied, the Issuer, following consultation with the Independent Adviser (if any), determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate or Mid-Swap Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable).

“Alternative Reference Rate” means the rate that the Issuer determines has replaced the relevant Reference Rate or Mid-Swap Rate (as applicable) and is customarily applied in the international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or Reset Period (as applicable), or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the relevant Reference Rate or Mid-Swap Rate (as applicable).

“Benchmark Event” means:

- (i) the relevant Reference Rate or Mid-Swap Rate (as applicable) ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the relevant Reference Rate or Mid-Swap Rate (as applicable) stating that it will, by a specified date within the following six months, cease to publish the relevant Reference Rate or Mid-Swap Rate (as applicable), permanently or

indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate or Mid-Swap Rate (as applicable)); or

- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate or Mid-Swap Rate (as applicable) stating that the relevant Reference Rate or Mid-Swap Rate (as applicable) has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor or the administrator of the relevant Reference Rate or Mid-Swap Rate (as applicable) that means that the relevant Reference Rate or Mid-Swap Rate (as applicable) will be prohibited from being used within the following six months; or
- (v) it has become unlawful for the Calculation Agent, the Fiscal Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any Noteholders using the relevant Reference Rate or Mid-Swap Rate (as applicable).

“IA Determination Cut-Off Date” means no later than five Business Days prior to the relevant Interest Determination Date or Reset Determination Date (as applicable) relating to the next succeeding Interest Period or Reset Period (as applicable).

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.

“Relevant Nominating Body” means, in respect of a Reference Rate or Mid-Swap Rate:

- (i) the central bank for the currency to which the Reference Rate or Mid-Swap Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate or Mid-Swap Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate or Mid-Swap Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate or Mid-Swap Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

“Successor Rate” means the rate that the Issuer determines is a successor to, or replacement of, the Reference Rate or Mid-Swap Rate (as applicable) which is formally recommended by any Relevant Nominating Body.

3 Redemption, Purchase and Options

(a) Final Redemption

- (i) 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.
- (ii) In these Terms and Conditions:

“Final Redemption Amount” means, (A) if **“Specified 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%, or (B) if **“Par**

Redemption” is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per 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%.

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

- (i) The Zero Coupon Note Redemption Amount payable in respect of (A) any Zero Coupon Note 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 3(e) 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.

In these Terms and Conditions, **“Zero Coupon Note Redemption Amount”** means (A) 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%, (B) if **“Par Redemption”** is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount, or (C) if **“Amortised Face Amount”** is specified in the applicable Final Terms, an amount calculated in accordance with this Condition 3(b).

- (ii) Subject to sub-paragraph (iii) below, the **“Amortised Face Amount”** of any such Note shall be the scheduled Zero Coupon Note 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 Zero Coupon Note upon its redemption pursuant to Condition 3(e) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the 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 Maturity Date 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 3(e).

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, subject to the conditions set out in Condition 3(h), 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) 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 (the first such Optional Redemption Date, in the case of the Subordinated Notes,

falling not earlier than the fifth anniversary of the Issue Date, and in case of the Senior Preferred Notes and the Senior Non-Preferred Notes, falling not earlier than the first anniversary of the Issue 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 Securities Settlement 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% or (ii) if “**Par Redemption**” is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount.

(d) Redemption upon the occurrence of a Capital Disqualification Event

If this Condition 3(d) is specified as being applicable in the applicable Final Terms, then, if a Capital Disqualification Event has occurred and is continuing, and to the extent that the Issuer, at its sole discretion, has not opted to substitute or vary the Subordinated Notes in accordance with Condition 6(d), the Issuer may, subject to the conditions set out in Condition 3(h), on giving not less than 30 nor more than 60 days’ notice 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, on any Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) or, if so specified in the applicable Final Terms, at any time, at the Capital Disqualification Event Early Redemption Price, together with interest accrued and unpaid, if any, to (but excluding) the date fixed for redemption.

The notice given to the Noteholders (which notice shall be irrevocable) pursuant to this Condition shall (i) contain a confirmation by the Issuer stating that a Capital Disqualification Event has occurred and is continuing and (ii) set out the date fixed for redemption, and such confirmation shall (in the absence of manifest error) be conclusive and binding on the Noteholders.

In these Terms and Conditions:

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

“**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, that by reason of a change (or a prospective change which the Lead Regulator considers to be sufficiently certain) to the regulatory classification of the Subordinated Notes, at any time after the Issue Date, the Subordinated Notes cease (or would cease) to be included, in whole or in part, in or count towards the Tier 2 capital of the Issuer on a solo and/or consolidated basis (having done so before the Capital Disqualification Event occurring) (excluding, for these purposes, any non-recognition as a result of applicable regulatory amortisation in the five years immediately preceding maturity).

“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% or (ii) if **“Par Redemption”** is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount.

“CRD” means 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, as amended or replaced by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019.

“CRR” means 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, as amended or replaced by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019.

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

“Tier 2 capital” has the meaning given to it under the Applicable Banking Regulation as applied by the Lead Regulator from time to time.

(e) Redemption upon the occurrence of a Tax Event

Subject to the conditions set out in Condition 3(h), the Issuer may, at its option (subject to giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 8 (with a copy to the Fiscal Agent), which notice shall be irrevocable) redeem all, but not some only, of the Notes outstanding on any Interest Payment Date or Resettable Note Interest Payment Date (as the case may be), or, if so specified in the applicable Final Terms, at any time, at the Tax Event Redemption Amount, together with interest accrued and unpaid, if any, to (but excluding) the date fixed for redemption (as set out in the notice to the Noteholders), if, at any time, a Tax Event has occurred and is continuing, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (i) the Issuer would be obliged to pay any additional amounts in case of a Tax Gross-up Event, or (ii) a payment in respect of the Notes would not be deductible in case of a Tax Deductibility Event, in each case, were a payment in respect of the Notes then due. The Issuer shall obtain an opinion of an independent legal adviser of recognised standing to the effect that a Tax Event exists.

In these Terms and Conditions:

A **“Tax Event”** shall be deemed to have occurred if as a result of a Tax Law Change:

- (i) in making interest payments under the Notes, the Issuer has or will on or before the next Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) or the Maturity Date (as applicable) become obliged to pay additional amounts as provided or referred to in Condition 5 (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it) (a **“Tax Gross-up Event”**); or
- (ii) on the next Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) or the Maturity Date (as applicable) any payment by the Issuer in respect of the Notes ceases (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is reduced (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it) (a **“Tax Deductibility Event”**).

“Tax Event 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%, (ii) if **“Par Redemption”** is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% 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.

“Tax Law Change” means any change in, or amendment to, the laws or regulations of Belgium, including any treaty to which Belgium is a party, or any change in the application or official interpretation thereof, which change or amendment (i) (subject to (ii)) becomes effective on or after the Issue Date, or (ii) in the case of a change in law, if such change is enacted on or after the Issue Date.

(f) Redemption of Senior Notes upon the occurrence of a MREL/TLAC Disqualification Event

If the Notes are Senior Notes, and “MREL/TLAC Disqualification Event” is specified as applicable in the relevant Final Terms, then upon the occurrence of a MREL/TLAC Disqualification Event, the Issuer may, at its option, at any time and having given not more than 60 nor less than 30 calendar days’ notice to the holders of the Senior Notes, in accordance with Condition 8 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Senior Notes at the MREL/TLAC Disqualification Event Early Redemption Price, together with accrued interest (if any) thereon subject to such redemption being permitted by the Applicable MREL/TLAC Regulations, and subject to Condition 3(h).

“Applicable MREL/TLAC Regulations” means, at any time, the laws, regulations, requirements, guidelines and policies giving effect to (i) MREL and (ii) the principles set forth in the FSB TLAC Term Sheet or any successor principles. If there are separate laws, regulations, requirements, guidelines and policies giving effect to the principles described in (i) and (ii), then “Applicable MREL/TLAC Regulations” means all such regulations, requirements, guidelines and policies.

“FSB TLAC Term Sheet” means the Total Loss Absorbing Capacity (TLAC) term sheet set forth in the document dated 9 November 2015 published by the Financial Stability Board, entitled “Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution,” as amended from time to time.

“MREL” means the “minimum requirement for own funds and eligible liabilities” for banking institutions referred to in BRRD and CRD, or any other EU laws and regulations implemented in Belgian laws and regulations and/or as set out in policies and/or principles of the SRB as the case may be, and/or as per the FSB TLAC Term Sheet.

“MREL/TLAC Disqualification Event” means at any time that all or part of the outstanding nominal amount of the Senior Notes of a Series does not or will not qualify as MREL/TLAC-Eligible Instruments under Applicable MREL/TLAC Regulations, either by reason of a change or such regulations becoming effective (or the application or official interpretation of such regulations), except where such non-qualification:

- (i) is or will be caused by any applicable limits on the amount of “eligible liabilities” (or any equivalent or successor terms) permitted or allowed to meet any requirements under the Applicable MREL/TLAC Regulations;
- (ii) was reasonably foreseeable at the Issue Date; or
- (iii) is due to the remaining maturity of such Notes being less than any period prescribed by the Applicable MREL/TLAC Regulations.

“MREL/TLAC-Eligible Instrument” means an instrument that is eligible to be counted towards the MREL of the Issuer, or that constitutes a TLAC-eligible instrument of the Issuer (within the meaning of

the FSB TLAC Term Sheet, and to the extent applicable to the Issuer), in each case in accordance with Applicable MREL/TLAC Regulations.

“MREL/TLAC 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% or (ii) if **“Par Redemption”** is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount.

“Relevant Resolution Authority” means the Single Resolution Board established by Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 and/or any other authority entitled to exercise or participate in the exercise of the bail-in power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation).

(g) Repurchases

The Issuer and any of its subsidiaries may at any time repurchase Notes in the open market or otherwise at any price. This Condition 3(g) shall apply to the extent repurchases of Notes are not prohibited by the Applicable Banking Regulation and subject to the conditions set out in Condition 3(h).

(h) Conditions to redemption

Any optional redemption or repurchase of the Notes pursuant to this Condition 3 is subject to the following conditions (in each case, if and to the extent then required by the Applicable Banking Regulation):

- (i) compliance with any conditions prescribed under the Applicable Banking Regulation, including the prior approval of the Lead Regulator and/or the Relevant Resolution Authority (if required);
- (ii) in respect of Subordinated Notes only, (A) in the case of redemption following the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the Lead Regulator or Relevant Resolution Authority that (x) the Tax Law Change was not foreseeable by the Issuer as at the Issue Date and (y) the Tax Event is material, or (B) in the case of redemption following the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Lead Regulator or the Relevant Resolution Authority that the relevant change is sufficiently certain and was not foreseeable by the Issuer as at the Issue Date; and
- (iii) compliance by the Issuer with any alternative or additional pre-conditions to the redemption of Notes to the extent set out in the Applicable Banking Regulation and required by the Lead Regulator or the Relevant Resolution Authority.

(i) Cancellation

Subject to the conditions set out in Condition 3(h), all Notes repurchased by or on behalf of the Issuer or any of its subsidiaries may be, and all Notes redeemed by the Issuer will be, cancelled. 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 Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa or Euroclear France and any other Securities Settlement System participant holding interest in the relevant Notes, and any payment made by the Issuer to the Securities Settlement System or, in the case of payments in any currency other than euro, to Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa or Euroclear France will constitute good discharge for the Issuer. Upon receipt of any payment in respect of Notes, the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa or Euroclear France and any other Securities Settlement 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 and (iv) such other agents as may be required by the rules of any stock exchange on which the Notes may be listed.

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

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes 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, or interest only in case of Subordinated Notes and Senior Non-Preferred Notes, 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:

- (i) *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
- (ii) *Non-Eligible Investors*: 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 transactions with certain securities; or
- (iii) *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; or
- (iv) *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 Securities Settlement System.

Notwithstanding any other provision in these Terms and Conditions, any amounts paid by or on behalf of the Issuer in respect of the Notes will be paid net of any deduction or withholding imposed or required by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**Code**") (or any regulations thereunder or official interpretations thereof), or otherwise imposed pursuant to any intergovernmental 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**"). Neither the Issuer nor any other person will have an obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding.

As used in these Terms and Conditions, the "**Relevant Date**" in respect of any payment means whichever is the later of (i) the date on which such payment first becomes due and (ii), (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of such 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 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.

6 Status and subordination

The Notes may be either senior Notes (“**Senior Notes**”) or subordinated Notes (“**Subordinated Notes**”) and the Senior Notes may be either senior preferred Notes (“**Senior Preferred Notes**”) or senior non-preferred Notes (“**Senior Non-Preferred Notes**”), in each case as specified in the relevant Final Terms. The existing Senior Notes whose Final Terms do not specify whether they constitute Senior Preferred Notes or Senior Non-Preferred Notes are *pari passu* with the Senior Preferred Notes.

(a) Status of Senior Preferred Notes

(i) Status

The Senior Preferred Notes (being those Notes in respect of which the status is specified in the applicable Final Terms as “Senior Preferred Notes”) relating to them are direct, unconditional, senior (*chirografaïre/chirographaires*) and unsecured obligations of the Issuer and rank at all times:

- (A) *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, which will fall or be expressed to fall within the category of obligations described in Article 389/1, 1° of the Belgian Banking Law, but, in the event of insolvency, only to the extent permitted by laws relating to creditors’ rights,
- (B) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking *pari passu* with or junior to Senior Non-Preferred Obligations; and
- (C) junior to all present and future claims as may be preferred by laws of general application.

Subject to applicable law, if an order is made or an effective resolution is passed for the liquidation, dissolution or winding-up of the Issuer by reason of bankruptcy (*faillissement/faillite*), the Noteholders will have a right to payment under the Senior Preferred Notes:

- (A) only after, and subject to, payment in full of holders of present and future claims as may be preferred by laws of general application or otherwise ranking in priority to Senior Preferred Notes; and
- (B) subject to such payment in full, in priority to holders of Senior Non-Preferred Obligations and other present and future claims otherwise ranking junior to Senior Preferred Notes.

“**Senior Non-Preferred Obligations**” means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in Article 389/1, 2° of the Belgian Banking Law.

(ii) Waiver of set-off

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Preferred Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Senior Preferred Note, be deemed to have waived all such rights of set-off.

(b) *Status of Senior Non-Preferred Notes*

(i) *Status*

Senior Non-Preferred Notes (being those Notes which the applicable Final Terms specify as to be Senior Non-Preferred Notes) are issued pursuant to the provisions of Article 389/1, 2° of the Belgian Banking Law and are direct, unconditional, senior (*chirografaire/chirographaires*) and unsecured obligations of the Issuer and rank at all times:

- (A) *pari passu* among themselves and with other Senior Non-Preferred Obligations of the Issuer;
- (B) senior to the Subordinated Notes of the Issuer and Eligible Creditors; and
- (C) junior to Senior Preferred Notes of the Issuer and all present and future claims as may be preferred by laws of general application.

Subject to applicable law, if an order is made or an effective resolution is passed for the liquidation, dissolution or winding-up of the Issuer by reason of bankruptcy (*faillissement/faillite*), the Noteholders will have a right to payment under the Senior Non-Preferred Notes:

- (A) only after, and subject to, payment in full of Senior Preferred Obligations (including any holders of Senior Preferred Notes) and other present and future claims benefiting from statutory preferences or otherwise ranking in priority to Senior Non-Preferred Obligations; and
- (B) subject to such payment in full, in priority to holders of the Subordinated Notes of the Issuer and Eligible Creditors and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations.

“**Senior Preferred Obligations**” means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in Article 389/1, 1° of the Belgian Banking Law.

(ii) *Waiver of set-off*

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Non-Preferred Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Senior Non-Preferred Note, be deemed to have waived all such rights of set-off.

(c) *Status 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, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

In the event of dissolution or liquidation of the Issuer (including the following events creating a competition between creditors (“*samenloop van schuldeisers/concours de créanciers*”): bankruptcy (“*faillissement/faillite*”), 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 and claims of the holders of Subordinated Notes against the Issuer shall be for an amount equal to the principal amount of each Subordinated Note together with any amounts attributable to such Subordinated Notes and shall rank:

- (A) subject to any obligations which are mandatorily preferred by law, junior to the claims of (1) depositors and all other unsubordinated creditors and (2) all Eligible Creditors of the Issuer;
- (B) *pari passu* without any preference among themselves and *pari passu* with any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes; and
- (C) senior and in priority to (1) the claims of holders of all classes of share or other equity capital (including preference shares) of the Issuer, (2) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, and (3) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes.

(ii) *Waiver of set-off*

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Subordinated Note, be deemed to have waived all such rights of set-off.

(iii) *Defined Terms*

In this Condition:

“**Eligible Creditors**” means creditors holding claims that, in accordance with their terms, rank or are expressed to rank senior to the Subordinated Notes and Junior to Senior Notes.

“**Tier 1 capital**” has the meaning given to it under the Applicable Banking Regulation as applied by the Lead Regulator.

(d) *Senior Notes and Subordinated Notes: Substitution and Variation*

In the case of Senior Notes or Subordinated Notes in relation to which this Condition 6(d) is specified in the applicable Final Terms as applying, then, following a MREL/TLAC Disqualification Event (in case of Senior Notes) or following a Capital Disqualification Event (in case of Subordinated Notes), the Issuer may, at its sole discretion and without the consent of the Noteholders, by giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 8 substitute or vary the terms of all, but not some only, of the Senior Notes or, as the case may be, of the Subordinated Notes then outstanding so that they become or, as appropriate, remain, Qualifying Securities.

Any substitution or variation of the Securities pursuant to Condition 6(d) is subject to compliance with any conditions prescribed under the Applicable Banking Regulation, including the prior approval of the Lead Regulator (if required).

In these Terms and Conditions:

“**Moody’s**” means Moody’s France S.A.S. or any affiliate thereof.

“**Qualifying Securities**” means, at any time, any securities issued by the Issuer that:

- (i) rank equally with the ranking of the Senior Preferred Notes (in the case of Senior Preferred Notes), Senior Non-Preferred Notes (in the case of Senior Non-Preferred Notes) or Subordinated Notes (in the case of Subordinated Notes);
- (ii) other than as a result of the future application of the bail-in resolution tool, have terms not materially less favourable to Noteholders than the terms of the Senior Preferred Notes, Senior Non-Preferred Notes or, as the case may be, the Subordinated Notes (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing, and provided that a certification of two members of the management board of the Issuer shall have been delivered to the Fiscal Agent prior to the issue or variation of the relevant securities), provided that such securities shall in any event:
 - (A) contain terms such that they comply with the then Applicable Banking Regulation in relation to Tier 2 capital (in case of Subordinated Notes) or that they comply with the then Applicable MREL/TLAC Regulations (in case of Senior Notes);
 - (B) do not contain terms which would cause a MREL/TLAC Disqualification Event (in case of Senior Notes) or a Capital Disqualification Event (in case of Subordinated Notes) or a Tax Event to occur as a result of such substitution or variation;
 - (C) include terms which provide for the same (or, from a Noteholder's perspective, a more favourable) Rate of Interest from time to time, Interest Payment Dates or Resettable Note Interest Payment Date (as the case may be), Maturity Date, and, if applicable optional redemption dates, as apply to the Senior Preferred Notes, Senior Non-Preferred Notes or the Subordinated Notes;
 - (D) shall preserve any existing right under the Conditions to any accrued interest, principal and/ or premium which has not been satisfied; and
 - (E) not contain terms providing for the mandatory or voluntary deferral of payments of principal and/ or interest;
- (iii) are listed on (A) the regulated market of Luxembourg Stock Exchange or (B) such other regulated market in the European Economic Area as selected by the Issuer (to the extent the Senior and Subordinated Notes were listed on the regulated market of Luxembourg Stock Exchange or such other regulated market in the European Economic Area prior to their substitution or variation); and
- (iv) where the Senior Notes or, as the case may be, the Subordinated Notes which have been substituted or varied had a solicited rating from a Rating Agency immediately prior to their substitution or variation each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Senior Notes or, as the case may be, Subordinated Notes as so substituted or varied, unless any downgrade is solely attributable to the application of the bail-in resolution tool.

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

“S&P” means S&P Global Ratings Europe Limited or any affiliate thereof.

7 Substitution of the Issuer

Subject to this Condition 7 being specified as applicable in the Final Terms, then, 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:

- (a) the Lead Regulator approves the substitution;
- (b) 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;
- (c) no payment of principal of, or interest on, the Notes is at the time of such substitution overdue;
- (d) 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 preferred basis (in the case of Senior Preferred Notes), on a senior non-preferred basis (in case of Senior Non-Preferred Notes) or on a subordinated basis (in the case of Subordinated Notes) corresponding to the ranking of the Subordinated Notes, the obligations of the Substitute;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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 and the jurisdiction of the Substitute confirming the validity of the substitution and the continuance or giving of the guarantee referred to in sub-paragraph (c) above;
- (i) each stock exchange which the Notes are listed on or the relevant competent authority relating thereto shall have confirmed that following the proposed substitution of the Issuer, such Notes would continue to be listed on such stock exchange;
- (j) following the substitution, the Notes will continue to be represented by book-entry in the records of the Securities Settlement System;
- (k) where the Notes had a published rating from a Rating Agency immediately prior to the substitution of the Issuer, the Notes shall continue to be rated by such Rating Agency immediately following such substitution and the published ratings assigned to the Notes by such Rating Agency immediately following such substitution will be no less than those assigned to the Notes immediately prior thereto; and
- (l) 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 Securities Settlement System, (ii) in the case of Notes held in a securities account, through a direct notification through the applicable clearing system, and (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 also 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.

9 Prescription

Claims for principal and interest shall become void ten or five years, respectively, after the Relevant Date thereof, unless application to a court of law for such payment has been initiated on or before such respective time.

10 Meeting of Noteholders and Modification to Agency Agreement

(a) Meetings of Noteholders

Schedule 1 (*Provisions on meetings of Noteholders*) of these Conditions contains provisions for convening meetings of Noteholders (the “**Meeting Provisions**”) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined therein) 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 the Meeting Provisions by a majority of at least 75% of the votes cast.

All meetings of Noteholders will be held in accordance with the Meeting Provisions. 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 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 the Meeting Provisions. 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 the Meeting Provisions.

(b) Modification of Agency Agreement

Without prejudice to Condition 2(p), 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% 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, 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 Event of Default Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable:

If default is made in the payment of any principal or interest due in respect of the Subordinated Notes or the Senior Notes or such principal or interest and such default continues for a period of 30 days or more after the due date, any holder of Subordinated Notes or Senior Notes may institute proceedings for the dissolution or liquidation of the Issuer in Belgium.

In the event of a dissolution or liquidation of the Issuer (including, without limitation, the following events creating a "*samenloop van schuldeisers/concours de créanciers*": bankruptcy ("*faillissement/faillite*"), judicial liquidation ("*gerechtelijke vereffening/liquidation forcée*"), 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)), each holder of Subordinated Notes or Senior Notes may give written notice to the Agent at its specified office that its Subordinated Note(s) or Senior Note(s) is (are) immediately repayable, whereupon the Event of Default Redemption Amount of such Subordinated Note or Senior Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable.

No remedy against the Issuer other than as referred to in this Condition 11 shall be available to the holders of Subordinated Notes or Senior Notes, whether for recovery of amounts owing in respect of the Subordinated Notes or Senior Notes or in respect of any breach by the Issuer of any of its obligations under or in respect of the Subordinated Notes or Senior Notes.

For the avoidance of doubt, the holders of Subordinated Notes or Senior Notes waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind ("*ontbinden/résoudre*"), or to demand legal proceedings for the rescission ("*ontbinding/résolution*") of, the Subordinated Notes or Senior Notes and (ii) to the extent applicable,

all their rights whatsoever in respect of the Subordinated Notes or Senior Notes pursuant to Article 7:64 of the Belgian Companies and Associations Code.

In these Terms and Conditions, “**Event of Default 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%, (ii) if “**Par Redemption**” is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% 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 in all respects (or in all respects except for the date for and amount of the first payment of interest) 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.

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15 Governing Law and Jurisdiction

(a) Governing Law

The Notes, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, Belgian law.

(b) Jurisdiction

The courts of Brussels (Belgium) are to have exclusive 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.

(c) Acknowledgment and Consent of the Bail-in Power

Each Noteholder (which includes any current or future holder of a beneficial interest in the Notes) acknowledges and accepts that any liability arising under the Notes may be subject to the Bail-in Power by the Resolution Authority and acknowledges and accepts to be bound by (i) the variation of the terms and conditions of the Notes, as deemed necessary by the Resolution Authority, to give effect to the exercise of any Bail-in Power by the Resolution Authority and (ii) the effect of the exercise of the Bail-in Power by the relevant Resolution Authority. Such exercise may, among others, include and result in any of the following, or a combination thereof:

- (i) all, or part of the Relevant Amounts in respect of the Notes being reduced or cancelled, including on a permanent basis;
- (ii) all or part of the Relevant Amounts in respect of the Notes being converted into shares, other securities or other obligations of the Issuer or another person and such shares, securities or obligations being issued to or conferred on the Noteholder, including by means of a variation, modification or amendment of the terms and conditions of the Notes;
- (iii) the Notes or the Relevant Amounts in respect of the Notes being cancelled; and
- (iv) the maturity of the Notes being amended or altered, or the amount of interest payable on the Notes, or date on which interest becomes payable; including by suspending payment for a temporary period.

In this Condition,

“**Bail-in Power**” means any statutory write-down and/or conversion power and/or statutory loss absorption power existing from time to time under any laws, regulations (including delegated or implementing measures such regulatory technical standards), requirements, guidelines, rules, standards and policies relating to the resolution of credit institutions, investment firms and their parent undertakings, and minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the Kingdom of Belgium, the NBB (or any successor or replacement entity having primary responsibility for the prudential oversight and supervision of the Issuer), the Resolution Authority, the Financial Stability Board and/or of the European Parliament or of the Council of the European Union then in effect in the Kingdom of Belgium, pursuant to which obligations of the Issuer can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise varied in any way, or securities of the Issuer can be written down and/ or converted into shares, other securities or other obligations of the Issuer or any other person, whether in connection with the implementation of a bail-in power following placement in resolution or otherwise;

“**Relevant Amounts**” means the principal amount of, and/or interest on, the Notes. These amounts include amounts that have become due and payable but which have prior to the exercise of the Bail-in Power by the Resolution Authority not yet been paid.

SCHEDULE 1 PROVISIONS ON MEETINGS OF NOTEHOLDERS

Interpretation

1. In this Schedule:
 - 1.1 references to a “**meeting**” are to a meeting of Noteholders of a single Series of Notes and include, unless the context otherwise requires, any adjournment;
 - 1.2 references to “**Notes**” and “**Noteholders**” are only to the Notes of the Series and in respect of which a meeting has been, or is to be, called and to the holders of those Notes, respectively;
 - 1.3 “**agent**” means a holder of a Voting Certificate or a proxy for, or representative of, a Noteholder;
 - 1.4 “**Block Voting Instruction**” means a document issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 9;
 - 1.5 “**Electronic Consent**” has the meaning set out in paragraph 31;
 - 1.6 “**Extraordinary Resolution**” means a resolution passed (a) at a meeting of Noteholders duly convened and held in accordance with this Schedule 1 (*Provisions on meetings of Noteholders*) by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;
 - 1.7 “**Ordinary Resolution**” means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50 per cent. of the votes cast;
 - 1.8 “**Recognised Accountholder**” means an entity recognised as account holder in accordance with article 7:35 of the Belgian Companies and Associations Code;
 - 1.9 “**Securities Settlement System**” means the securities settlement system operated by the NBB or any successor thereto;
 - 1.10 “**Voting Certificate**” means a certificate issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 8;
 - 1.11 “**Written Resolution**” means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Notes outstanding; and
 - 1.12 references to persons representing a proportion of the Notes are to Noteholders, proxies or representatives of such Noteholders holding or representing in the aggregate at least that proportion in nominal amount of the Notes for the time being outstanding.

General

2. All meetings of Noteholders will be held in accordance with the provisions set out in this Schedule.

Powers of meetings

3. A meeting shall, subject to the Conditions and (except in the case of sub-paragraph 3.5) only with the consent of the Issuer and, where applicable, the Lead Regulator, and without prejudice to any powers conferred on other persons by this Schedule, have power by Extraordinary Resolution:

- 3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);
- 3.2 to assent to any modification of the Conditions, the Notes or this Schedule proposed by the Issuer or the Agent;
- 3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 3.5 to appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers (or discretions which the Noteholders could themselves exercise by Extraordinary Resolution);
- 3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes in circumstances not provided for in the Conditions or in applicable law; and
- 3.7 to accept any security interests established in favour of the Noteholders or a modification to the nature or scope of any existing security interest or a modification to the release mechanics of any existing security interests.

provided that the special quorum provisions in paragraph 18 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 3.6 or for the purpose of making a modification to the Conditions, the Notes or this Schedule which would have the effect of (other than in accordance with the Conditions or pursuant to applicable law):

- (i) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;
- (ii) to assent to a reduction of the nominal amount of the Notes or a modification of the conditions under which any redemption, substitution or variation may be made;
- (iii) to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment;
- (iv) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes;
- (v) to change the currency of payment of the Notes;
- (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution; or
- (vii) to amend this proviso.

Ordinary Resolution

- 4. Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Noteholders shall have power by Ordinary Resolution:
 - 4.1 to assent to any decision to take any conservatory measures in the general interest of the Noteholders; or

- 4.2 to assent to the appointment of any representative to implement any Ordinary Resolution.
5. No amendment to the Conditions, the Notes or this Schedule which in the opinion of the Issuer relates to any of the matters listed in paragraph 4 above shall be effective unless approved at a meeting of Noteholders complying in all respect with the requirements of Belgian law, the provisions set out in this Schedule and the articles of association of the Issuer.

Convening a meeting

6. The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Noteholders holding at least 20 per cent. in principal amount of the Notes for the time being outstanding. Every meeting shall be held at a time and place approved by the Agent.
7. Convening notices for meetings of Noteholders shall be given to the Noteholders in accordance with Condition 11 (*Notices*) not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies or representatives obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

Arrangements for voting

8. A Voting Certificate shall:
- 8.1 be issued by a Recognised Accountholder or the Securities Settlement System;
- 8.2 state that on the date thereof (i) the Notes (not being Notes in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and blocked by it and (ii) that no such Notes will cease to be so held and blocked until the first to occur of:
- (i) the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and
- (ii) the surrender of the Voting Certificate to the Recognised Accountholder or the Securities Settlement System who issued the same; and
- 8.3 further state that until the release of the Notes represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Notes represented by such certificate.
9. A Block Voting Instruction shall:
- 9.1 be issued by a Recognised Accountholder or the Securities Settlement System;
- 9.2 certify that the Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and blocked by it and that no such Notes will cease to be so held and blocked until the first to occur of:

- (i) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
 - (ii) the giving of notice by the Recognised Accountholder or the Securities Settlement System to the Issuer, stating that certain of such Notes cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;
- 9.3 certify that each holder of such Notes has instructed such Recognised Accountholder or the Securities Settlement System that the vote(s) attributable to the Note or Notes so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing three (3) Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;
- 9.4 state the principal amount of the Notes so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and
- 9.5 naming one or more persons (each hereinafter called a “**proxy**”) as being authorised and instructed to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in 9.4 above as set out in such document.
- 10. If a holder of Notes wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must block such Notes for that purpose at least three (3) Business Days before the time fixed for the meeting to the order of the Agent with a bank or other depositary nominated by the Agent for the purpose. The Agent shall then issue a Block Voting Instruction in respect of the votes attributable to all Notes so blocked.
- 11. No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.
- 12. The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Noteholder.
- 13. Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Notes held to the order or under the control and blocked by a Recognised Accountholder or the Securities Settlement System and which have been deposited at the registered office at the Issuer not less than three (3) and not more than six (6) Business Days before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Notes continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates.
- 14. In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.

Chairman

15. The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Noteholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Noteholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

16. The following may attend and speak at a meeting:
- 16.1 Noteholders and their agents;
 - 16.2 the chairman and the secretary of the meeting;
 - 16.3 the Issuer and the Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

Quorum and Adjournment

17. No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.
18. One or more Noteholders or agents present in person shall be a quorum:
- 18.1 in the cases marked “**No minimum proportion**” in the table below, whatever the proportion of the Notes which they represent

18.2 in any other case, only if they represent the proportion of the Notes shown by the table below.

Purpose of meeting	Any meeting except for a meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum
	Required proportion	Required proportion
To pass a special quorum resolution	75 per cent.	25 per cent.
To pass any Extraordinary Resolution	A clear majority	No minimum proportion
To pass an Ordinary Resolution	A clear majority	No minimum proportion

19. The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 17.
20. At least ten days' notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

Voting

21. Each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more persons representing 2 per cent. of the Notes.
22. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
23. If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
24. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
25. On a show of hands or a poll every person has one vote in respect of each Note so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
26. In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect and Publication of an Extraordinary Resolution

27. An Extraordinary Resolution and an Ordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Ordinary Resolution or an Extraordinary Resolution to Noteholders within fourteen days but failure to do so shall not invalidate the resolution.

Minutes

28. Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
29. The minutes must be published on the website of the Issuer within fifteen (15) days after they have been passed.

Written Resolutions and Electronic Consent

30. If authorised by the Issuer and to the extent Electronic Consent is not being sought in accordance with paragraph 32, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders through the relevant clearing system(s). 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.
31. Where the terms of the resolution proposed by the Issuer have been notified to the Noteholders through the relevant clearing system(s) as provided in sub-paragraphs 31.1 and/or 31.2 below, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (the “**Required Proportion**”) by close of business on the Relevant Date (“**Electronic Consent**”). Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.
- 31.1 When a proposal for a resolution to be passed as an Electronic Consent has been made, at least fifteen days’ notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the “**Relevant Date**”) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).
- 31.2 If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Noteholders that the resolution will be proposed again on such date and for

such period as determined by the Issuer. Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in subparagraph 31.1 above. For the purpose of such further notice, references to “**Relevant Date**” shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 6 above, unless that meeting is or shall be cancelled or dissolved.

32. A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution or an Ordinary Resolutions. A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent.

CLEARING

The Notes are in dematerialised form in accordance with the Belgian Companies and Associations Code. The Notes will be represented by a book entry in the records of the securities settlement system operated by the National Bank of Belgium or any successor thereto (the “**Securities Settlement System**”). The Notes can be held by their holders through the participants in the Securities Settlement System, including Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France and through other financial intermediaries which in turn hold the Notes through Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa or Euroclear France or other participants in the Securities Settlement System. Possession of the Notes will pass by account transfer.

Payment of principal and interest in respect of Notes will be made in accordance with the applicable rules and procedures of the Securities Settlement system, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and any other Securities Settlement System participant holding interest in the relevant Notes, and any payment made by the Issuer to the Securities Settlement System or, in the case of payments in any currency other than euro, to Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France will constitute good discharge for the Issuer. Upon receipt of any payment in respect of Notes, the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and any other Securities Settlement System participant, shall immediately credit the accounts of the relevant account holders with the payment. Noteholders are entitled to exercise their voting rights and other associative rights (as defined for the purposes of the Belgian Companies and Associations Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France 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, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France 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. If, in respect of any particular issuance, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

1 Belfius Bank profile

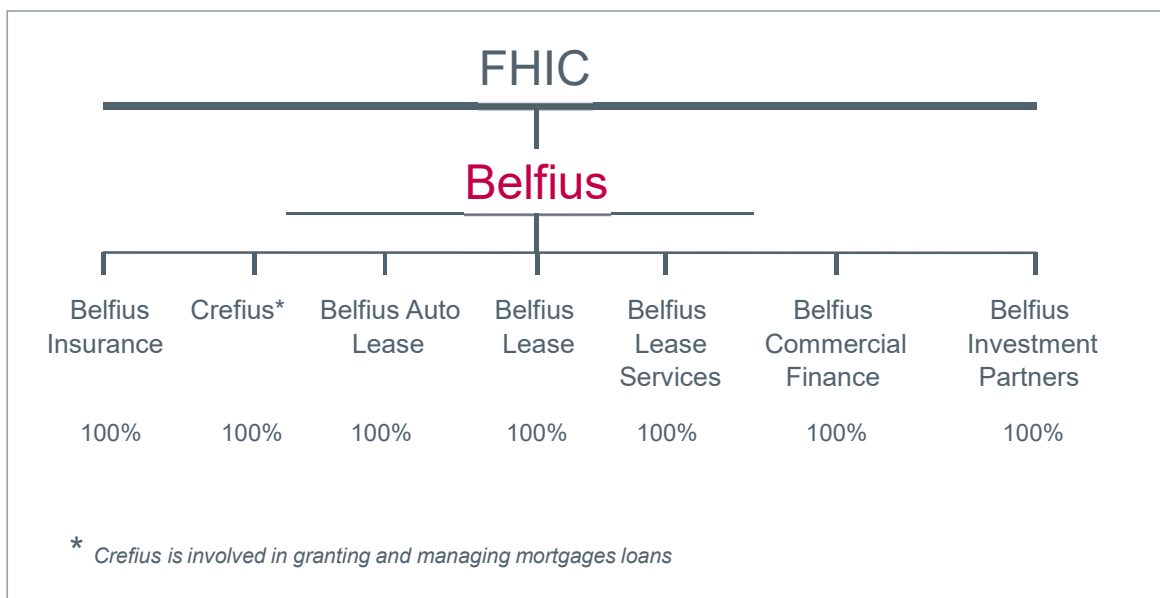
Belfius Bank SA/NV (the “**Issuer**” or “**Belfius Bank**”) is a public limited company (*naamloze vennootschap/société anonyme*) established on 23 October 1962 for an unlimited duration and incorporated under Belgian law which collects savings from the public. The Issuer is licensed as a credit institution in accordance with the Belgian Banking Law. It is registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185 and has its registered office at 1210 Brussels, Place Charles Rogier 11, Belgium, telephone +32 22 22 11 11. Belfius Bank’s LEI code is A5GWLFB3KM7YV2SFQL84.

The share capital of Belfius Bank as at 31 December 2019 was three billion, four hundred and fifty-eight million, sixty-six thousand, two hundred and twenty-seven euros and forty-one cents (EUR 3,458,066,227.41) and is represented by 359,412,616 registered shares. The shareholding of Belfius Bank is as follows: 359,407,616 registered shares are held by the public limited company of public interest Federal Holding and Investment Company (“**FHIC**”), in its own name but on behalf of the Belgian State, and 5,000 registered shares are held by the public limited company Certi-Fed. Certi-Fed is a fully-owned subsidiary of FHIC. Belfius Bank shares are not listed.

At the end of 2019, total consolidated balance sheet amounted to EUR 172 billion.

With an essentially Belgian balance sheet for its commercial activities and customers from all segments, Belfius Bank is in a position to act as a universal bank “of and for Belgian society”. Belfius Bank is committed to maximal customer satisfaction and added social value by offering products and providing services with added value through a modern distribution model. Thanks to a prudent investment policy and a carefully managed risk profile, Belfius Bank aspires to a sound financial profile that results in a solid liquidity and solvency position.

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



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

3 Belfius Bank profile

Belfius Insurance

Insurance company marketing life and non-life insurance products, savings products and investments for individuals, the self-employed, liberal professions, companies and the public and social sector. At the end of 2019, total consolidated balance sheet of Belfius Insurance amounted to EUR 22 billion⁽¹⁾.

Crefius

Company servicing and managing mortgage loans. At the end of 2019, total balance sheet of Crefius amounted to EUR 49 million⁽²⁾.

Belfius Auto Lease

Company for operational vehicle leasing and car fleet management, maintenance and claims management services. At the end of 2019, total balance sheet of Belfius Auto Lease amounted to EUR 397 million⁽²⁾.

Belfius Lease

Company for financial leasing and renting of professional capital goods. At the end of 2019, total balance sheet of Belfius Lease amounted to EUR 927 million⁽²⁾.

Belfius Lease Services

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

Belfius Commercial Finance

Company for financing commercial loans to debtors, debtor in-solvency risk cover and debt recovery from debtors (factoring). At the end of 2019, total balance sheet of Belfius Commercial Finance amounted to EUR 1,057 million⁽²⁾.

Belfius Investment Partners

Company for administration and management of funds. At the end of 2019, total balance sheet of Belfius Investment Partners amounted to EUR 162 million⁽²⁾ and assets under management amounted to EUR 18.3 billion.

⁽¹⁾ For more details, see the annual report 2019 of Belfius Insurance.

⁽²⁾ Total IFRS balance sheet before consolidation adjustments.

4 Results 2019

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

Total income was EUR 2,489 million, an increase of 5.4% over 2018. Both net interest income of EUR 1,488 million (+3%) and net fee and commission income of EUR 563 million (+5%) of the bank rose, despite a very challenging financial environment characterised by persistent low interest rates and the continued risk aversion of customers regarding investments. Belfius' insurance business, both in Life and Non-Life, contributed EUR 295 million and EUR 199 million respectively to total earnings. Taking account of the negative impact of EUR 205 million in banking levies, other income was EUR -56 million.

Belfius was also successful in keeping its costs under tight control, limiting its overheads to EUR 1,452 million (+1.9%), while at the same time implementing an investment programme of EUR 188 million in innovative

digital solutions for its customers and recruiting additional commercial and specialist talent for the further development of its services. Combined with increased revenue, this resulted in a substantially improved Cost-Income ratio of 58%, compared to 60% in 2018.

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

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

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

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

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

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

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

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

5 Minimum CET 1 requirements (SREP)

For the first quarter of 2020, Belfius must comply with a minimum CET 1 ratio of 10.51% that is composed of:

- a Pillar 1 minimum of 4.5%;
- a Pillar 2 Requirement (P2R) of 2.0%;
- a capital conservation buffer (CCB) of 2.5%;
- a O-SII buffer of 1.5%; and
- a total countercyclical capital buffer of 0.01% stemming from the applicable countercyclical buffer rates for banks' exposures to French⁽¹⁾ and Luxembourg borrowers.

- ⁽¹⁾ Note that the countercyclical capital buffer is assessed on a quarterly basis. In France, the High Council for Financial Stability (*Haut Conseil de Stabilité Financière*) fully released the countercyclical buffer. As from 2 April 2020 and until further notice, this rate amounts to 0%.

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

6 Segment reporting

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

- **Retail and Commercial (RC)**, managing the commercial relationships with individual customers and with small & medium sized enterprises both at bank and insurance level.
- **Public and Corporate (PC)**, managing the commercial relationships with public sector, social sector and corporate clients both at bank and insurance level.
- **Group Center (GC)**, containing the residual results not allocated to the two commercial segments. This mainly consists of results from Bond and Derivative portfolio management.

Retail and Commercial (RC)

Business description

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

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

RC results in 2019

RC posted robust commercial activity in 2019. At 31 December 2019, total savings and investments amounted to EUR 114.2 billion, an increase of 8.8% compared with the end of 2018. The organic growth in 2019 amounted to EUR 4.7 billion, much higher than in 2018, showing the increasing confidence of RC customers in Belfius. EUR 41.6 billion (+13%) came from the investments of 121,700 Private customers, serviced by more than 250 local Private Bankers with a certification. In 2019, as was already the case in 2018, clients seem to show more

interest for capital protected products, such as payments accounts and saving accounts, in an environment of volatile stock markets. Despite this context, the amount of investments entrusted to Belfius via mandates and service contracts increased by 13% in 2019 to reach EUR 11.5 billion mainly thanks to positive market effects.

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

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

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

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

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

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

Life insurance production stood at EUR 1,686 million in 2019⁽¹⁾, up 16% compared to 2018⁽²⁾. Unit-linked (Branch 23) production went up strongly (+31%) thanks to growing product suite and customer demand. Traditional Life (Branch 21/26) production decreased (-4%) following the low interest rate environment.

⁽¹⁾ Of which EUR 905 million gross written premiums and EUR 781 million transfers/renewals.

⁽²⁾ Of which EUR 960 million gross written premiums and EUR 495 million transfers/renewals.

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

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

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

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

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

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

Public and Corporate (PC)

Business description

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

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

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

PC results in 2019

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

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

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

The production of long-term loans for Corporate customers amounted for the second consecutive year to EUR 4.8 billion (+1.2%), confirming Belfius' position as one of the top four banks in the segment. Its market share⁽²⁾ in terms of loans increased from 14.4% in 2018 to an estimated 16% at the end of 2019.

In 2019, Belfius granted EUR 2.3 billion (+20.9%) of new long-term financing to the public sector. Belfius remains the undisputed leader in this market and responds to every financing tender from public bodies, to which it offers sustainable financing conditions. Belfius manages the cash flow of virtually all local authorities and was awarded 72% of the public sector financing files put out to tender in 2019.

Belfius also further strengthened its leading position in the Debt Capital Markets (DCM) for (semi-)public and private companies by capturing 87% (+1%) and 65% (+13%) of the mandates executed on the Belgian market, respectively. In 2019, Belfius Bank issued EUR 5.9 billion (+1 billion) in innovative financing instruments in the form of short-term issues (average outstanding amount on commercial paper) and long-term issues (medium term notes and bonds).

The Public and Corporate segment's commercial results in insurance decreased in terms of underwriting volumes, in particular for:

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

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

Group Center (GC)

Group Center operates through two sub-segments.

Run-off portfolios which are mainly comprised of:

- a portfolio of bonds issued by international issuers, especially active in the public and regulated utilities sector (which includes the UK inflation-linked bonds), covered bonds and ABS/RMBS, the so-called ALM Yield bond portfolio;
- a portfolio of credit guarantees, comprising credit default swaps and financial guarantees written on underlying bonds issued by international issuers, and partially hedged by Belfius with monoline insurers (mostly Assured Guaranty); and
- a portfolio of derivatives with Dexia entities as counterparty and with other foreign counterparties.

ALM liquidity and rate management and other group Center activities, composed of liquidity and rate management of Belfius (including its ALM Liquidity bond portfolio, derivatives used for ALM management and the management of central assets) and other activities not allocated to commercial activities, such as corporate and financial market support services (e.g., Treasury), the management of two former specific loan files inherited from the Dexia era (loans to *Gemeentelijke Holding/Holding Communal* and Arco entities), and the Group Center of Belfius Insurance.

These portfolios and activities are further described below.

ALM Yield bond portfolio

The ALM Yield bond portfolio of Belfius Bank was used to manage excess liquidity (after optimal commercial use in the business lines) and consists mainly of high quality bonds of international issuers.

At the end of December 2019, the ALM Yield bond portfolio stood at EUR 3.6 billion⁽¹⁾, down 0.9% compared to December 2018, mainly due to amortisations and some limited number of divestments. At the end of December 2019, the portfolio was composed of corporates (73%), sovereign and public sector (12%), asset-backed securities (8%), and financial institutions (7%). Almost 85% of the corporate bonds, mainly composed of long-term inflation linked bonds, are issued by highly-regulated UK hospitals, infrastructure companies and utilities such as water and electricity distribution companies. These bonds are of satisfactory credit quality, and the majority of these bonds are covered with a credit protection by a credit insurer (monoline insurer) that is independent from the bond issuer.

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

Derivatives with Dexia-entities and foreign counterparties

During the period it was part of the Dexia Group, former Dexia Bank Belgium (now Belfius Bank) was Dexia Group's "competence centre" for derivatives (mainly interest rate swaps): this meant that all Dexia entities were able to cover their market risks with derivatives with Dexia Bank Belgium, mainly under standard contractual terms related to cash collateral. Former Dexia Bank Belgium systematically re-hedged these derivative positions externally, as a result of which these derivatives broadly appear twice in Belfius' accounts: once in relation to Dexia entities and once for hedging.

The total outstanding notional amount of derivatives with Dexia entities and interest rate derivatives with international counterparties amounted to EUR 18.4 billion⁽¹⁾ at the end of December 2019, down EUR 7.9 billion or -30% compared to EUR 26.4 billion at the end of December 2018.

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

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

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

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

Credit guarantees

At the end of December 2019, the credit guarantees portfolio amounted to EUR 3.7 billion⁽¹⁾, stable compared to December 2018, as there were no material maturities. It relates essentially to Financial Guarantees, and Credit Default Swaps issued on corporate/public issuer bonds (86%) and ABS (14%). The good credit quality of the underlying reference bond portfolio, additional protection against credit risk incorporated in the bond itself and the protections purchased by Belfius mainly from various monoline insurers (US reinsurance companies, essentially Assured Guaranty) result in a portfolio that is 100% investment grade (IG) in terms of credit risk profile. This portfolio also contains Total Return Swaps for an amount of EUR 0.4 billion⁽¹⁾.

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

ALM Liquidity bond portfolio

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

At the end of December 2019, the ALM Liquidity bond portfolio stood at EUR 8.1 billion⁽¹⁾, up EUR 0.4 billion or +5.1% compared to December 2018, is in line with Belfius' investment program in LCR eligible bonds. At the end of December 2019, the portfolio was composed of sovereign and public sector bonds (61%), covered

bonds (32%), asset-backed securities (4%) and corporates bonds (3%). The Belgian and the Italian government bonds in the ALM Liquidity bond portfolio amounted both to EUR 1.5 billion⁽¹⁾ as of 31 December 2019.

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

⁽¹⁾ Nominal amount

⁽²⁾ Calculated on EAD

Other Group Center activities

The other activities allocated to Group Center include:

- the interest rate and liquidity transformation activity performed within ALM, after internal transfer pricing with commercial business lines, including the use of derivatives for global ALM management;
- the management of two legacy loan files inherited from the Dexia era, i.e., the investment loans to two groups in liquidation, namely *Gemeentelijke Holding/Holding Communal* and some Arco entities;
- the flow management, a.o. hedge management, of internal and external interest rate derivative flows because Group Center is Belfius' Competence Center for interest rate derivatives;
- treasury activities (money market activities); and
- the results including revenues and costs on assets and liabilities not allocated to a specific business line.

The Group Center of Belfius Insurance is also fully allocated to these other Group Center activities. The Belfius Insurance Group Center contains income from assets not allocated to a specific business line, the cost of Belfius Insurance's subordinated debt, the results of certain of its subsidiaries and costs that are not allocated to a specific business line.

GC total net income amounts to EUR 25 million in 2019.

7 Post-balance sheet events

Several real estate deals

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

Important prepayment penalties on leasing contracts

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

Issuance of Mortgage Pandbrieven

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

Covid-19 outbreak

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

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

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

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

Dividend

In line with the recommendation of the European Central Bank regarding the distribution of dividends by credit institutions (dated 27 March 2020), the Board of Directors of Belfius Bank decided on 2 April 2020 to propose to the Shareholder General Assembly of 29 April 2020 to maintain the ordinary dividend for the 2019 results at EUR 100 million (corresponding to the interim dividend already paid in August 2019) and to also retain within its reserves the residual ordinary dividend of EUR 161 million that was previously proposed back in February 2020. Furthermore, in line with the ECB recommendation, the Board of Directors of Belfius Bank also decided that any proposal for, and any distribution of, a dividend for 2020 will be postponed until at least 1 October 2020. In this way, Belfius Bank is increasing its ability to fulfil its commitment to Belgian society. As a result of this decision regarding the ordinary dividend for 2019, Belfius Bank has further strengthened its CET 1 ratio to 15.9% at year-end 2019. Belfius has thus considerable reserves to tackle this crisis.

8 Risk Management

Fundamentals of credit risk in 2019

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

Banking activities in Retail and Commercial

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

The production of mortgage loans reached a record high in 2019, with a volume 43% above the 2018 level (EAD⁽¹⁾ at the end of 2019: EUR 34,042 billion). This substantial increase is explained by the decision of the Flemish government to terminate the tax benefits on mortgage loans and potentially the communication by the NBB of “supervisory expectations regarding the lending standards of mortgage loans” obliging banks to strengthen their underwriting criteria. The anticipation on these measures, which enter into force in 2020, in combination with the low interest rates has boosted the production in the second half of the year. The share of

loans with a longer maturity combined with a slightly higher LTV in the portfolio continued to increase. Notwithstanding this evolution, the overall credit quality of the mortgage portfolio remained excellent and even slightly improved (as illustrated by the average probability of default).

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

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

Belfius offers self-employed persons, liberal professions (i.e., doctors, lawyers, etc.) and SMEs a comprehensive range of retail, commercial, private banking, wealth management and insurance products and services, through its integrated omni-channel distribution network (EAD at the end of 2019: EUR 18,661 billion). Belfius Bank’s approach to have lending decisions for business loans taken by local teams working close to the customer was further intensified in 2019. This strategy contributes to a better customer service while numerous tests and realised statistics indicate that the risk remains under control. The continuous fine-tuning of the decision-making logic and the enhanced and quickly reactive monitoring on deteriorating risk profiles is bearing fruit. Through the continuation of the “Go4Credits” project, Belfius also enhanced in 2019 the efficiency of its credit approval process for the Commercial Business line.

⁽¹⁾ EAD = Exposure At Default

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

Banking activities in Public and Corporate

In 2019, Belfius kept offering services to the Belgian public and social sectors (including hospitals, schools, universities and retirement homes). It provides these clients with a wide and integrated range of products and services, including credit lending (EAD at the end of 2019: EUR 39,187 billion).

The Public Sector loans portfolio maintained its very low risk profile. The balance of payments of the majority of Belgian municipalities showed in 2019 an equilibrium, or even a surplus. Local authorities continue in such a way their positive collective contribution to the budgetary exercise of the country as a whole. The decline of indebtedness of municipalities, driven by a still low level of investment, continued in 2019 together with the decrease of interest charges. However, the new municipal legislature that started in 2019 will have to cope with a very difficult financial context, confronting constantly rising expenditures (social welfare, security, ...) with ever more slowly growing revenues. These conflicting budgetary tensions will burden local authorities with a difficult task. They must indeed continue to offer a good service while safeguarding a budgetary balance. During the current legislation e.g. the pension bill will end up in full force at the local authorities. Most of them will

struggle with the pension costs related to their statutory staff, because the number of active staff members is getting smaller and smaller compared to their retired colleagues. This pension challenge has been figured out years ago and meanwhile some measures have been taken, but they are insufficient to keep the current bill acceptable. For some municipalities, especially the cities, this will imply that taxes must be raised, investments postponed and services reduced, if no action is undertaken by other government levels.

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

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

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

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

prudential expectations established by the National Bank. Belfius real estate credit exposure is considered as being correctly diversified in terms of underlying asset types, individual name concentration and geographical spread.

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

Insurance

The management of the credit risk of Belfius Insurance is the responsibility of Belfius Insurance risk management team, albeit in collaboration with the credit risk teams of Belfius Bank and aligned with the risk management guidelines that are applicable for the whole Belfius group. As such, this implies that credit limits are defined on a consolidated basis and that transfers of limits between Belfius Bank and Belfius Insurance are permitted, on the condition that both parties agree. The CROs of Belfius Bank and Belfius Insurance coordinate the requests among each other.

Exposure to credit risk

Breakdown of credit risk by counterparty

	31 December 2018	31 December 2019
(FEAD ⁽¹⁾ , in EUR billion)		
Central governments	20.5	18.1
Public sector entities	45.7	44.3
Corporate.....	32.9	36.4
Monoline insurers	4.5	4.7
ABS/MBS	0.8	0.7
Project Finance.....	2.2	2.4
Individuals, self-employed and SME's	47.9	52.2
Financial institutions	12.1	13.4
Total.....	166.7	172.4

⁽¹⁾ FEAD = Full Exposure At Default

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

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

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

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

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

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

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

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

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

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

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

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

Asset quality

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

Liquidity risk

Liquidity profile

During 2019, Belfius consolidated its diversified liquidity profile by:

- maintaining a funding surplus within the commercial balance sheet;

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

The Liquidity Coverage Ratio (“**LCR**”) is based on the Delegated Act requirements and measures the ability to fund liabilities over a one month horizon. Belfius Bank discloses its 12-month average LCR in accordance with the European Banking Authority’s guidelines on LCR disclosure. Belfius Bank closed the year 2019 with a 12-month average LCR of 130%.

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

Minimum requirement for own funds and eligible liabilities

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

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

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

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

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

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

Liquidity reserves

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

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

Funding diversification at Belfius Bank

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

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

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

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

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

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

As a result of derivative contracts to cover interest rate risk of its activities, Belfius Bank has an outstanding position in derivatives for which collateral must be posted and is being received (cash & securities collateral). Against the background of historical low interest rates, in net terms, Belfius Bank posts more collateral than it receives.

Encumbered assets

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

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

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

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

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

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

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

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

9 Ratings

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

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

(*) *Intrinsic creditworthiness*

10 Other information

Dependency of the Issuer

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

Arrangements resulting in a change of control

As at the date of this Base Prospectus, there are no arrangements known to Belfius Bank, the operation of which may at a subsequent date result in a change of control of Belfius Bank.

Recent events

Other than as stated in the section entitled “*Post-balance sheet items*” above, as at the date of this Base Prospectus there are no recent events particular to Belfius Bank which are, to a material extent, relevant to the evaluation of its solvency.

11 Litigation

Belfius (Belfius Bank and its consolidated subsidiaries) is involved as a party in a number of litigations in Belgium, arising in the ordinary course of its business activities, including those where it is acting as an insurer, capital and credit provider, employer, investor and tax payer.

Belfius recognises provisions for such litigations when, in the opinion of its management taking into account all available elements, including an analysis by its company lawyers and external legal advisors as the case may be, (i) a present obligation has arisen as a result of past events, (ii) it is probable that Belfius will have to make a payment and (iii) the amount of such payment can be estimated reliably.

With respect to certain other litigations against Belfius, of which management is aware, no provision has been made according to the principles outlined here above, as the management is of the opinion, after due consideration of appropriate advice, that, while it is often not feasible to predict or determine the ultimate outcome of all pending litigations, such litigations are without legal merit, can be successfully defended, or that the outcome of these actions is not expected to result in a significant loss.

In the opinion of Belfius, the most important cases are listed below, regardless of whether a provision has been made or not. Their description does not deal with elements or evolutions that do not have an impact on the position of Belfius. If the cases listed below were to be successful for the opposite parties, they could eventually result in monetary consequences for Belfius. Such impact remains unquantifiable at this stage. Note that, apart from the cases listed below, a vigilance has been observed in the prevention of money laundering (AML) in the Belgian financial sector. In this context, as is customary, Belfius is collaborating with the Belgian authorities and monitors this closely.

Housing Fund of the Brussels Capital Region

On 9 October 2012, the Housing Fund of the Brussels Capital Region (*Woningfonds van het Brussels Hoofdstedelijk Gewest/Fonds du Logement de la Région de Bruxelles-Capitale*) summoned Belfius Bank before the Brussels Commercial Court. The Housing Fund subscribed for a total amount of EUR 32,000,000 to 4 treasury notes issued by Municipal Holding (*Gemeentelijke Holding/Holding Communale*), placed by Belfius acting as dealer under the Municipal Holding commercial paper programme, between July and September 2011 (Commercial Paper programme). Due to severe financial difficulties encountered by the Municipal Holding, the Housing Fund granted a voluntary waiver to the Municipal Holding on 24 November 2011 and received repayment for EUR 16 million. The Municipal Holding entered into liquidation in December 2011. Due to the intervention of Belfius as dealer of the treasury notes, the Housing Fund demands the payment by Belfius Bank of the non-repaid capital. As the loss incurred on this investment is the result of a voluntary waiver of the claim by the Housing Fund, which matches half of the investment, Belfius Bank rejects the demand from the Housing Fund.

On 27 March 2014, the Brussels Commercial Court accepted the claim application by the Housing Fund, but declared it unfounded. The Housing Fund lodged an appeal against this judgement on 3 June 2014.

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

No provision has been made for this claim.

Arco – Cooperative shareholders

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

On 30 September 2014, 737 shareholders from 3 companies of the Arco Group (Arcopar, Arcoplus and Arcofin) initiated (with support of Deminor) proceedings against the Arco entities and Belfius Bank before the Dutch speaking Commercial Court of Brussels (the “**Deminor Proceedings**”). On 19 December 2014, 1,027 additional shareholders of the Arco entities joined in the Deminor Proceedings. On 15 January 2016, 405 additional shareholders of the Arco entities joined the Deminor Proceedings, resulting in a total of 2,169 plaintiffs. The plaintiffs have requested that the Brussels Court rule, among other things, that:

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

The financial contribution of the 2,169 plaintiffs for which reimbursement is sought amounted to approximately EUR 6.5 million (principal amount) as at the date of this Report. The plaintiffs’ claims in the Deminor Proceedings are based on allegations of fraud and/or error on the part of the Arco entities and Belfius Bank. In the alternative, the plaintiffs have argued that Belfius Bank breached its general duty of care as a normal and

prudent banker. In relation to Belfius Bank, the plaintiffs have referred to certain letters and brochures allegedly containing misleading information issued by the predecessors of Belfius Bank. The Belgian State and the Chairman of the Management Board of the Arco entities are also defendants in the proceedings before the Commercial Court of Brussels. Belfius Bank has submitted its first legal briefs in August 2018 and has submitted its second legal briefs in March 2020. The case will normally be pleaded during several pleading sessions in June 2021.

Separately from the abovementioned proceedings before the Commercial Court of Brussels, on 24 October 2016, three shareholders in Arcopar initiated court proceedings (the “**Turnhout Proceedings**”) against Belfius Bank before the Court of First Instance of Antwerp, section Turnhout. The plaintiffs in the Turnhout Proceedings request that Belfius Bank is to be held liable to pay an “undetermined provisional amount of 2,100 EUR” per plaintiff plus interest and costs, because they claim that Belfius Bank misled them in subscribing Arcopar-shares. As at the date of this Report, the aggregate amount of the claims of the plaintiffs in the Turnhout Proceedings amounted to approximately EUR 6,300 EUR (principal amount). The plaintiffs base their claims upon promotional material that was distributed by the predecessors of Belfius Bank as well as the Arco entities and the former Belgian Christian collective of workers’ associations (ACW). On 27 February 2017, Belfius Bank summoned Arcopar to intervene in the Turnhout Proceedings and to indemnify Belfius Bank for any amount for which it would be held liable towards the plaintiffs. In subsidiary order, the plaintiffs have also filed a claim against Arcopar and Belfius Bank requesting that their subscription of Arcopar shares is to be declared null and void. On 3 April 2018, the plaintiffs also summoned the Belgian State to intervene in the Turnhout Proceedings. All parties requested the Court to transfer this case to the Court of First Instance of Brussels. The Court decided on 19 November 2018 to grant the requested transfer and this procedure is now joined with the procedure before the Court of First Instance of Brussels.

Furthermore, on 7 February 2018, 2 cooperative shareholders summoned the Belgian State before the Court of First Instance of Brussels because they state that the Belgian State has made a fault by promising and introducing a guarantee scheme for shareholders of financial cooperative companies (like the Arco cooperative shareholders) which has been considered illicit state aid by the European Commission. These 2 plaintiffs also summoned Belfius Bank on 7 February 2018 to intervene in this procedure, and claim compensation from Belfius Bank because they consider that Belfius Bank erred in the sale of the Arco shares. Groups of Arco-shareholders organized themselves via social media to mobilise other Arco shareholders to become claimant in this procedure, and to the knowledge of Belfius, as end December 2019, approximately 5,380 Arco shareholders did so. There is not yet a pleading calendar in this case.

No provision has been made for these claims because Belfius Bank is of the opinion that it has sufficient valid arguments to result in these claims being declared inadmissible and/or without merit.

Ethias

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

Funding Loss

Belfius Bank is facing some legal actions regarding the issue of indemnities charged for funding losses incurred by Belfius Bank. The latter are charged to professional clients in the case of early repayment of professional credits. These indemnities are calculated in line with the current legal dispositions and the contractual framework of such credits to reflect the financial losses that are actually incurred by Belfius Bank in the case of early repayment of a professional credit. Belfius booked provisions to cover the potential adverse outcome of litigation proceedings. These provisions are reassessed on an ongoing basis, taking into account the evolution of Belgian case law.

Investigations into “Panama Papers”

These paragraphs are mentioned for completeness only, although the matters below do not comprise a litigation. On 5 December 2017, a police search under the lead of an examining magistrate of Brussels (*onderzoeksrechter/juge d’instruction*) took place at Belfius Bank’s head office in the framework of the Belgian “Panama Papers” Parliamentary Commission. Belfius Bank was investigated as a witness and has not been accused of any wrongdoing. The scope of the investigation is to establish whether there are any violations of anti-money laundering obligations and to investigate the link between Belfius Bank (or its predecessors), and, amongst others, Experta and Dexia Banque International Luxembourg (i.e., former entities of the Dexia group).

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

12 Management and Supervision of Belfius Bank

Composition of the management board and the Board of Directors

1. Management Board

The Management Board currently has five members who have all acquired experience in the banking and financial sector. The members of the Management Board form a college.

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

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

In addition, effective 1 January 2019, the Management Board in consultation with the Board of Directors appointed three associated members, Mr. Patrick Devis, IT manager, Mrs. Camille Gillon, HR & Building Management manager and Mr. Geert Van Mol, Data & Digital manager. The associated members attend the meetings of the Management Board in an advisory capacity.

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

The above members of the Management Board have their business address at 1210 Brussels, Place Charles Rogier 11, Belgium.

The Management Board is responsible for the effective management of Belfius Bank, directing and coordinating the activities of the various business lines and support departments within the framework of the objectives and general policy set by the Board of Directors. These powers do not include determining Belfius Bank’s overall policy, nor actions reserved for the Board of Directors by the other provisions in the Companies and Associations Code or by the Banking Law.

The Management Board ensures that Belfius Bank's business activities are in line with the strategy, risk management and general policy set by the Board of Directors. It passes on relevant information to the Board of Directors to enable it to take informed decisions. It formulates proposals and advices to the Board of Directors with a view to define or improve Belfius Bank's general policy and strategy.

The members of the Management Board form a collegial body. They are required to carry out their duties in complete objectivity and independence.

Under the supervision of the Board of Directors, the Management Board takes the necessary measures, including supervisory measures, to ensure that Belfius Bank has a robust structure suited to Belfius Bank's organisation in order to guarantee the effective and prudent management of Belfius Bank in accordance with the Banking Law.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the management board and their private interests and other duties.

2. Board of Directors

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

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

Pursuant to the articles of association of Belfius Bank, the Board of Directors of Belfius Bank is composed of a minimum of ten members appointed for maximum terms of four years. The table below sets forth the names of the Directors, their position within Belfius Bank and the other significant functions they perform outside Belfius Bank.

The business address for the members of the Board of Directors is 1210 Brussels, Place Charles Rogier 11, Belgium.

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

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

The Board of Directors, which is made up of professionals from a variety of industries, including the financial sector, has the expertise and experience required associated with Belfius Bank's various operating businesses.

Name	Position	Significant other functions performed outside Belfius Bank
Jozef Clijsters	Chairman of the Board of Directors of Belfius Bank	none
Marc Raisière	Chairman of the Management Board Responsible for IT, Digital & Data, Human Resources	none

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

Name	Position	Significant other functions performed outside Belfius Bank
Carine Doutrelepont	Member of the Board of Directors of Belfius Bank (Independent Director)	Lawyer and full Professor at the Université Libre de Bruxelles (ULB)
Georges Hübner	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor at HEC Liège - University of Liège
Isabel Neumann	Member of the Board of Directors of Belfius Bank (Independent Director)	Experienced Financial Professional (Former Managing Director, Investment Banking of Bank of America, Merrill Lynch)
Diane Zygas-Rosen	Member of the Board of Directors of Belfius Bank (Independent Director)	Director Humanitarian Services at Belgian Red Cross and Vice President Blood Services at Belgian Red Cross
Chris Sunt	Member of the Board of Directors of Belfius Bank (Independent Director)	Lawyer until 29 April 2020 - Honorary lawyer from 1 March 2020 onwards
Lutgart Van Den Berghe	Member of the Board of Directors of Belfius Bank (Independent Director)	Emeritus extraordinary Professor at the University of Ghent (UG) and emeritus part-time Professor at the Vlerick Business School
Rudi Vander Venet	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor in Financial Economics and Banking at the University of Ghent (UG) and lecturer Banking and Insurance at Solvay Business School (ULB)

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the Board of Directors and their private interests and other duties.

Advisory committees set up by the Board of Directors

The Board of Directors of Belfius Bank established various advisory committees to assist in its task, i.e., a Nomination Committee, a Remuneration Committee, an Audit Committee and a Risk Committee. These committees are exclusively composed of Non-Executive Directors. In line with the EBA guidelines, the majority of the members of the advisory committees are independent directors. These directors are members of a maximum of three of these advisory committees. A Mediation Committee has also been installed within the governance of the Belfius group.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of any of the following advisory committees and their private interests and other duties.

3. Nomination Committee

As of the date of this Base Prospectus, the Nomination Committee of Belfius Bank has the following membership:

Name	Position
Lutgart Van Den Berghe	Chairman – Director of Belfius Bank
Jozef Clijsters	Member – Chairman of the Board of Directors of Belfius Bank
Diane Zygas-Rosen	Member – Director of Belfius Bank
Cécile Coune	Director of Belfius Insurance, invited as representative of Belfius Insurance

The members of the Nomination Committee have the required skills, on the basis of their education and professional experience, to give a competent and independent judgment on the composition and operation of Belfius Bank's management bodies, in particular on the individual and collective skills of their members and their integrity, reputation, independence of spirit and availability.

The Nomination Committee:

- identifies and recommends, for approval of the Shareholders Meeting or of the Board of Directors as the case may be, candidates suited to filling vacancies on the Board of Directors, evaluates the balance of knowledge, skills, diversity and experience within the Board of Directors, prepares a description of the roles and capabilities for a particular appointment and assesses the time commitment expected; the Nomination Committee also decides on a target for the representation of the underrepresented gender within the Board of Directors and prepares a policy on how to increase the number of underrepresented gender in order to meet that target;
- periodically, and at least annually, assesses the structure, size, composition and performance of the Board of Directors and makes recommendations to it with regard to any changes;
- periodically assesses the knowledge, skills, experience, degree of involvement and in particular the attendance of members of the Board of Directors and advisory committees, both individually and collectively, and reports to the Board of Directors accordingly;
- periodically reviews the policies of the Board of Directors for selection and appointment of members of the Management Board, and makes recommendations to the Board of Directors;
- prepares proposals for the appointment or mandate renewal as the case may be of directors, members of the Management Board, the Chairman of the Board of Directors and the Chairman of the Management Board;
- assesses the aptitude of a director or a candidate director to meet the criteria set forth for being considered as an independent director;
- examines questions relating to problems with the succession of directors and members of the Management Board;
- establishes a general and specific profile for directors and members of the Management Board;
- ensures the application of provisions with regard to corporate governance;
- prepares proposals for amendments to the internal rules of the Board of Directors and the Management Board;
- assesses the governance memorandum and if necessary proposes amendments;
- at least annually discusses and analyses the quantitative statement and qualitative analysis of communications regarding stress, burn-out and inappropriate behaviour at work and actions to be taken to remedy situations.

In performing its duties, the Nomination Committee ensures that decision-taking within the Board of Directors is not dominated by one person or a small group of persons, in a way which might be prejudicial to the interests of Belfius Bank as whole.

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

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

4. Remuneration Committee

As of the date of this Base Prospectus, the Remuneration Committee of Belfius Bank has the following membership:

Name	Position
Lutgart Van Den Berghe	Chairman – Director of Belfius Bank
Jozef Clijsters	Member – Chairman of the Board of Directors of Belfius Bank
Diane Zygas-Rosen	Member – Director of Belfius Bank
Cécile Coune	Director of Belfius Insurance, invited as representative of Belfius Insurance

The members of the Remuneration Committee have the required skills, on the basis of their education and professional experience, to give a competent and independent judgment on remuneration policies and practices and on the incentives created for managing risks, capital and liquidity of Belfius Bank.

In order to perform its tasks correctly, the Remuneration Committee interacts regularly with the Risk Committee and the Audit Committee.

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

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

The Remuneration Committee prepares the decisions of the Board of Directors by *inter alia*:

- Developing the remuneration policy, as well as making practical remuneration proposals for the chairman, the non-executive members of the Board of Directors and the members of the advisory committees under the Board of Directors. The Board of Directors submits these remuneration proposals to the General Meeting for approval.
- Developing the remuneration policy as well as making practical proposals for the remuneration of the chairman of the Management Board and, on his proposal, for the remuneration of the members of the Management Board. The Board of Directors then determines the remuneration of the chairman and the members of the Management Board.
- Providing advice on the proposals made by the chairman of the Management Board of Belfius Bank in relation to the severance remuneration for members of the Belfius Bank Management Board. On the proposal of the remuneration committee, the Board of Directors of Belfius Bank determines the severance remuneration of the chairman and members of the Belfius Bank Management Board.

- Advising the Board of Directors in relation to the remuneration policy for employees whose activity has a material impact on the risk profile of the Belfius group (known as “Identified Staff”) and in relation to the compliance of the allocation of remuneration to Identified Staff with regard to the remuneration policy put in place for such people.
- Preparing the remuneration report approved by the Board of Directors and published in the annual report.
- Periodically checking to ensure that the remuneration programmes are achieving their objective and are in line with applicable conditions.
- Annually assessing the performance and objectives of the members of the Management Board.
- Providing an opinion of the elaboration of a global “Risk Gateway” in consultation with the Risk Committee, containing various levers applied at various points in the performance management cycle with an impact on determination of the variable remuneration.

The Remuneration Committee exercises direct supervision over the determination of objectives and remuneration of the individuals responsible for the independent control functions (Chief Risk Officer, General Auditor & the Compliance Officer).

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

5. *Audit Committee*

As at the date of this Base Prospectus, the Audit Committee of Belfius Bank has the following membership:

Name	Position
Georges Hübner	Chairman Director of Belfius Bank
Paul Bodart.....	Member Director of Belfius Bank
Chris Sunt.....	Member Director of Belfius Bank
Martine De Rouck.....	Member Director of Belfius Bank

The majority of the members of the audit committee are independent directors. Members of the audit committee have collective expertise in the field of banking, accountancy and auditing. At least one independent director of the audit committee is an expert in the field of accounting and/or audit.

The Audit Committee assists the Board of Directors in its task of carrying out prudential controls and exercising general supervision. The Audit Committee of Belfius Bank operates independently of the Audit Committee implemented at Belfius Insurance. However, the respective Audit Committees of Belfius Bank and Belfius Insurance held three joint meetings in 2019, in particular when the insurance company’s annual financial statements for 2018 and the half-yearly financial statements at 30 June 2019 were presented.

6. *Risk Committee*

As at the date of this Base Prospectus, the Risk Committee has the following membership:

Name	Position
Rudi Vander Venet.....	Chairman Director of Belfius Bank
Georges Hübner	Member Director of Belfius Bank
Diane Zygas-Rosen	Member Director of Belfius Bank
Chris Sunt.....	Member Director of Belfius Bank
Isabel Neumann.....	Invited as observer Director of Belfius Bank

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

The Risk Committee has advisory powers and responsibilities with regard to the Board of Directors in the following areas:

- appetite and strategy regarding Belfius Bank's current and future risks, more particularly the effectiveness of the risk management function and the governance structure to support them;
- monitoring implementation of risk appetite and strategy by the Management Board;
- allocating the risk appetite to various categories of risks and defining the extent and limits of risk in order to manage and restrict major risks;
- considering the risks run by Belfius Bank with its customer tariffs.
- assessing activities which expose Belfius Bank to real risks;
- supervising requirements in terms of capital and liquidity, the capital base and Belfius Bank's liquidity situation;
- the guarantee that risks are proportional to Belfius Bank's capital;
- formulating an opinion with regard to major transactions and new proposals for strategy activities that have a significant impact on Belfius Bank's risk appetite;
- obtaining information and analysing management reports as to the extent and nature of the risks facing Belfius Bank; and
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP) and the Recovery Plan.

The Risk Committee of Belfius Bank operates independently of the Risk and Underwriting Committee of Belfius Insurance. On the request of the Chairman of Belfius Bank's committee, a joint Risk Committee of Belfius Bank and Belfius Insurance may be held. To promote sound remuneration policy and practices, subject to the tasks of the Nomination Committee and the Remuneration Committee, the Risk Committee examines whether incentives in the remuneration system take proper account of the institution's risk management, equity requirements and liquidity position, as well as the probability and distribution of profit over time.

The Risk Committee and the Audit Committee periodically exchange information, in particular concerning the quarterly risk report, the senior management report on the assessment of internal control

and the risk analyses performed by the Legal, Compliance and Audit Departments. The aim of this exchange of information is to enable the two committees to perform their tasks properly and to take the form of a joint meeting.

7. Mediation Committee

A Mediation Committee has been established within the Belfius group.

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

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

The Mediation Committee is responsible for passing opinions relating to material transactions or operations between, on the one hand, Belfius Bank and its subsidiaries and, on the other hand, Belfius Insurance and its subsidiaries, or between their respective subsidiaries. Such opinions are sent to the Board of Directors of the companies concerned, which will then take a definitive decision on the planned transaction or operation.

SELECTED FINANCIAL INFORMATION

1 Consolidated Balance Sheet

	Notes	31 December 2018 IFRS 9	31 December 2019 IFRS 9
Assets		<i>(in thousands of EUR)</i>	
Cash and balances with central banks	5.2	8,314,303	6,715,928
Loans and advances due from credit institutions	5.3	13,106,846	16,207,838
Measured at amortised cost		13,106,846	16,207,838
Measured at fair value through other comprehensive income		0	0
Measured at fair value through profit or loss		0	0
Loans and advances	5.4	91,122,512	94,944,479
Measured at amortised cost		89,302,446	93,391,477
Measured at fair value through other comprehensive income		0	0
Measured at fair value through profit or loss		1,820,067	1,553,002
Debt securities & equity instruments	5.5	28,568,766	29,489,565
Measured at amortised cost		21,610,561	22,476,427
Measured at fair value through other comprehensive income		5,216,152	5,257,278
Measured at fair value through profit or loss		1,742,052	1,755,860
Unit linked products insurance activities		2,837,971	3,671,372
Derivatives	5.6	12,767,585	13,304,709
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6	4,590,806	4,881,797
Investments in equity method companies	5.7	47,949	64,124
Tangible fixed assets	5.8	1,065,607	1,215,355
Intangible assets	5.9	191,497	206,384
Goodwill	5.10	103,966	103,966
Tax assets	5.11	378,192	338,443
Current tax assets		77,683	53,723
Deferred tax assets		300,508	284,720
Technical insurance provisions - part of the reinsurer		99,902	108,074
Other assets	5.12	950,202	1,163,606
Non current assets (disposal group) held for sale and discontinued operations	5.13	19,047	23,826
Total assets		164,165,152	172,439,465

	Notes	31 December 2018 IFRS 9	31 December 2019 IFRS 9
Liabilities		<i>(in thousands of EUR)</i>	
Cash and balances from central banks	6.1	3,962,322	4,016,777
Credit institutions borrowings and deposits	6.2	5,866,810	5,819,363
Measured at amortised cost		5,866,810	5,819,363
Measured at fair value through profit or loss		0	0
Borrowings and deposits	6.3	79,661,310	85,449,910
Measured at amortised cost		79,609,747	85,397,137
Measured at fair value through profit or loss		51,563	52,773
Debt securities issued and other financial liabilities	6.4	26,686,872	27,654,505
Measured at amortised cost		19,274,694	19,341,686
Measured at fair value through profit or loss		7,412,178	8,312,819
Unit linked products insurance activities		2,837,971	3,671,372
Derivatives	5.6	17,740,280	18,630,116
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6	165,078	262,708
Provisions for insurance activities	6.5	13,907,770	13,180,229
Provisions and contingent liabilities	6.6	626,752	517,345
Subordinated debts	6.7	1,219,469	1,157,266
Measured at amortised cost		1,219,469	1,157,266
Measured at fair value through profit or loss		0	0
Tax liabilities	5.11	30,825	136,648
Current tax liabilities		22,301	81,540
Deferred tax liabilities		8,524	55,108
Other liabilities	6.8	1,500,070	1,437,224
Liabilities included in disposal group and discontinued operations		0	0
Total liabilities		154,205,529	161,933,465

Selected financial information

	Notes	31 December 2018 IFRS 9	31 December 2019 IFRS 9
Equity		<i>(in thousands of EUR)</i>	
Subscribed capital		3,458,066	3,458,066
Additional paid-in capital		209,232	209,232
Treasury shares		0	0
Reserves and retained earnings		4,738,565	5,013,573
Net income for the period		649,028	667,496
Shareholders' core equity		9,054,891	9,348,367
Fair value changes of debt instruments measured at fair value through other comprehensive income		218,588	336,856
Fair value changes of equity instruments measured at fair value through other comprehensive income		75,031	262,716
Fair value changes due to own credit risk on financial liabilities designated as at fair value through profit or loss to be presented in other comprehensive income		0	0
Fair value changes of derivatives following cash flow hedging		13,679	(81,709)
Remeasurement pension plans		42,170	84,319
Discretionary participation features of insurance contracts	6.5	41,850	33,212
Other reserves		212	212
Gains and losses not recognised in the statement of income		391,530	635,605
Total shareholders' equity		9,446,422	9,983,972
Additional Tier-1 instruments included in equity		497,083	497,083
Non-controlling interests		16,118	24,945
Total Equity		9,959,623	10,506,000
Total Liabilities and Equity		164,165,152	172,439,465

2 Consolidated Statement of Income

	Notes	31 December 2018 IFRS 9	31 December 2019 IFRS 9
		<i>(in thousands of EUR)</i>	
Interest income	7.1	3,399,369	3,441,636
Interest expense	7.1	(1,527,831)	(1,541,463)
Dividend income	7.2	70,981	70,279

Selected financial information

	Notes	31 December 2018 IFRS 9	31 December 2019 IFRS 9
		<i>(in thousands of EUR)</i>	
Net income from equity method companies	7.3	1,745	4,918
Net income from financial instruments at fair value through profit or loss	7.4	(10,644)	96,148
Net income on investments and liabilities	7.5	121,704	53,190
Fee and commission income	7.6	734,366	756,445
Fee and commission expenses	7.6	(178,710)	(176,873)
Technical result from insurance activities	7.7	(53,890)	(19,975)
Gross earned premiums		1,488,048	1,463,046
Other technical income and charges		(1,541,939)	(1,483,021)
Other income	7.8	193,666	216,569
Other expense	7.9	(389,568)	(412,287)
Income		2,361,189	2,488,587
Staff expense	7.10	(614,740)	(636,777)
General and administrative expenses	7.11	(496,938)	(488,519)
Network costs		(219,110)	(212,174)
Depreciation and amortisation of fixed assets	7.12	(95,004)	(114,909)
Expenses		(1,425,792)	(1,452,379)
Gross income		935,397	1,036,208
Impairments on financial instruments and provisions for credit commitments	7.13	(66,397)	(111,438)
Impairments on tangible and intangible assets	7.14	(2,124)	(6,761)
Impairments on goodwill	7.15	0	0
Net income before tax		866,876	918,010
Current tax (expense) income	7.16	(145,506)	(210,116)
Deferred tax (expense) income	7.16	(71,381)	(41,791)
Total Tax (expense) income		(216,886)	(251,907)
Net income after tax		649,989	666,103
Discontinued operations (net of tax)		0	0
Net income		649,989	666,103
Attributable to non-controlling interests		962	(1,393)
Attributable to equity holders of the parent		649,028	667,496

TAXATION ON THE NOTES

The tax legislation in force in the jurisdiction of a potential investor, in the Issuer's country of incorporation (i.e., Belgium) and in any other relevant jurisdiction may have an impact on the income which may be received from the Notes. The statements herein regarding taxation are based on the laws in force in Belgium as of the date of this Base Prospectus and are subject to any changes in law, potentially with a retroactive effect. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes. Each prospective Noteholder or beneficial owner of Notes should consult its tax advisor as to the Belgian tax consequences of any investment in, or ownership and disposition of, the Notes or that of any other relevant jurisdiction.

1 Belgian taxation

The following is a general description of the principal Belgian tax consequences of subscribing for, acquiring, holding, redeeming, disposing of and/or converting the Notes.

1.1 Belgian Withholding tax

All payments by or on behalf of the Issuer of interest on the Notes are in principle subject to the 30% Belgian withholding tax on the gross amount of the interest, subject to such relief as may be available under applicable domestic law or applicable tax treaties.

In this regard, "interest" means the periodic interest income, any amount paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date or upon purchase by the Issuer) 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 Securities Settlement System operated by the National Bank of Belgium (the "**NBB**" and the "**Securities Settlement System**"). Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France are directly or indirectly Participants for this purpose.

Holding the Notes through the Securities Settlement 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 Securities Settlement System must enter the Notes which they hold on behalf of Eligible Investors in an X Account. Payments of interest made through X Accounts are free of withholding tax.

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 as referred to in Article 2, §1, 5°, b) of the Belgian code on income tax of 1992 (*code des impôts sur les revenus 1992/wetboek van de inkomenstenbelastingen 1992*, the "**Income Tax Code 1992**") ;

- (ii) institutions, associations or companies specified in Article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of Article 262, 1° and 5° of the Income Tax Code 1992;
- (iii) state regulated institutions (*institutions paraétatiques/parastatalen*) for social security, or institutions which are assimilated therewith, provided for in Article 105, 2° 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*);
- (iv) non-resident investors provided for in Article 105, 5° of the same decree;
- (v) investment funds, recognised in the framework of pension savings, provided for in Article 115 of the same decree;
- (vi) taxpayers provided for in Article 227, 2° 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;
- (vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Income Tax Code 1992;
- (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and
- (ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

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.

The above categories only summarise the detailed definitions contained in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Participants to the Securities Settlement 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 30% 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 ongoing declaration requirement to the Securities Settlement System as to the eligible status, save that they need to inform the Participant of any change in the information contained in the statement of their eligible status. However, Participants are required to annually make declarations to the NBB as to the eligible status of each investor for whom they held Notes in an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of 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 central securities depositories, as defined by Article 2, §1, 1) of Regulation (EU) n° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, acting as Participants to the Securities Settlement System, provided that (i) they only hold X Accounts, (ii) they are able to identify the holders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by these central securities depositories acting as Participants include the contractual undertaking that their clients, account owners, are all Eligible Investors.

Hence, these identification requirements do not apply to Notes held in Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France or any other central securities depository acting as a Participant to the Securities Settlement System, provided that (i) they only hold X Accounts, (ii) they are able to identify the holders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by them include the contractual undertaking that their clients, account owners, are all Eligible Investors.

In accordance with the Securities Settlement System, a Noteholder who is withdrawing Notes from an X 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 Securities Settlement System. As a condition of acceptance of the Notes into the Securities Settlement System, the Noteholders waive the right to claim such indemnity.

1.2 Belgian income tax and capital gains

1.2.1 Belgian resident individuals

Natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*impôt des personnes physiques/personenbelasting*) and who hold the Notes as a private investment, are subject to a withholding tax of 30% on interest payments. The withholding tax constitutes the final taxation, fully discharging them from their personal income tax liability with respect to these interest payments. This means that the interest on the Notes does not have to be declared in their personal income tax return, provided that the Belgian withholding tax of 30% has effectively been levied on the interest.

Nevertheless, Belgian resident individuals may elect to declare interest in respect of the Notes in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 30% (or at the relevant progressive personal income tax rate(s) taking

into account the taxpayer's other declared income, whichever is more beneficial). The Belgian withholding tax levied may be credited.

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 normal management of one's private estate (in which case the capital gain will be taxed at 33% plus local municipality surcharge) or unless (and to the extent that) the capital gains qualify as interest (as defined in section 1.1 entitled "*Belgian Withholding Tax*"). Capital losses realised on the disposal of the Notes held as a non-professional investment are in principle not tax deductible.

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

1.2.2 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 (*impôt des sociétés/ vennootschapsbelasting*), as well as capital gains realised upon the sale of the Notes are taxable at the ordinary corporate income tax rate of in principle 25%, as of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020. Furthermore, small and medium-sized companies (as defined in Article 1:24, §§1-6 of the Belgian Companies and Associations Code) are taxable at the reduced corporate income tax rate of 20% for the first EUR 100,000 of their taxable base.

The withholding tax retained by or on behalf of the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable, all in accordance with the applicable legal provisions.

Capital losses realised upon the sale of the Notes are in principle tax deductible.

Other tax rules apply to investment companies within the meaning of Article 185bis of the Belgian Income Tax Code.

1.2.3 Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax (*impôts des personnes morales/ rechtspersonenbelasting*) which do not qualify as Eligible Investors are subject to a withholding tax of 30% on interest payments. The withholding tax constitutes the final taxation and, in principle, fully discharges their income tax liability.

Belgian legal entities which qualify as Eligible Investors (see section 1.1 entitled "*Belgian Withholding Tax*") and which consequently have received gross interest income are required (if such entities cannot invoke a final withholding tax exemption) to declare and pay the 30% withholding tax to the Belgian tax authorities (which withholding tax then generally also constitutes the final taxation in the hands of the relevant investors).

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 1.1 entitled "*Belgian Withholding Tax*"). Capital losses are in principle not tax deductible.

1.2.4 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, any Belgian withholding tax that

has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

1.2.5 Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes, who are not holding the Notes through their permanent establishment in Belgium and who do not invest in the Notes in the context of their Belgian professional activity will not incur or 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.

Non-residents who use the Notes to exercise a professional activity in Belgium through a permanent establishment are in principle subject to the same tax rules as the Belgian resident companies (see above).

1.3 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 if such transaction is either entered into or carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.12% with a maximum amount of EUR 1,300 per transaction and per party and collected by the professional intermediary. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

The acquisition of Notes upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

Following the Law of 25 December 2016, the scope of application of the tax on the stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a “**Belgian Investor**”). In such a scenario, the tax on the stock exchange transactions is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions due has already been paid by the professional intermediary established outside of Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying agent day-today listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (“**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and for complying with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

The tax referred to above will not 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.

On 14 February 2013, the EU Commission published a proposal for a Directive for a common financial transaction tax (“FTT”). The draft Directive currently stipulates that once the FTT enters into effect, the Participating Member States (as defined below) 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.

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

2 Common reporting standard

Following recent international developments, the exchange of information is governed by the Common Reporting Standard (“CRS”). On 24 December 2019, the total of jurisdictions that have signed the multilateral competent authority agreement (“MCAA”) amounts to 108. The MCAA is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (“DAC2”), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU and replaces the EC Council Directive 2003/48/EC on the taxation of savings income (commonly referred to as the “Savings Directive”) as from 1 January 2016.

The Belgian government implemented DAC2, respectively the Common Reporting Standard, pursuant to the law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial

institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the “**Law of 16 December 2015**”).

As a result of the Law of 16 December 2015, the mandatory exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other non-EU States that have signed the MCAA, as of the respective date determined by Royal Decree. In a Royal Decree of 14 June 2017, as amended, it has been provided that the automatic exchange of information has to be provided (i) as from 2017 (for the 2016 financial year) for a first list of eighteen foreign jurisdictions, (ii) as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions and (iii) as from 2019 (for the 2018 financial year) for another jurisdiction.

The Notes are subject to DAC2 and to the Law of 16 December 2015. Under DAC2 and the Law of 16 December 2015, Belgian financial institutions holding the Notes for tax residents in another CRS contracting state shall report financial information regarding the Notes (e.g. in relation to income and gross proceeds) to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

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

3 The proposed EU financial transaction tax

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a “**Participating Member State**”). Estonia has ceased to participate.

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

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

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in 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.

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

4 FATCA withholding

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance

to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Pursuant to a Distribution Agreement dated on or about 11 May 2020 (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 has agreed to reimburse the Arranger for certain of its 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. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. 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 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.

The Notes where the Reference Rate is SONIA may only be held by, and may only be transferred to, Eligible Investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 holding their Notes in an exempt securities accounts that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the National Bank of Belgium.

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, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Distribution Agreement, it has not offered, 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.

Prohibition of sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, the Issuer will request each Dealer to represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2016/96/EU, as amended (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” in relation to any Notes 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 for any Notes.

Prohibition of sales to consumers in Belgium

The Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to “consumers” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

Public Offer Selling Restriction under the Prospectus Regulation

If the Final Terms in respect of any Notes specify “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area and the United Kingdom (each, a “**Relevant State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final

Terms in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer 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 Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

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

- (a) 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**”);
- (b) 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 does not apply to Belfius Bank; and
- (c) 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 Base Prospectus nor any other offering material related to the Notes will have been or will be notified to, and neither the Base 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, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any 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 the Final Terms issued in respect of the issuance of Notes to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has severally but not jointly 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 Base Prospectus, any other offering material or any Final Terms in all cases at its own expense.

FORM OF FINAL TERMS

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

[MiFID II PRODUCT GOVERNANCE – Solely for the purposes of the product approval process of each Manufacturer (i.e., each person deemed a manufacturer for purposes of the EU Delegated Directive 2017/593, hereinafter referred to as a Manufacturer), the target market assessment in respect of the EMTN Notes as of the date hereof has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients [and retail clients] each as defined in Directive 2014/65/EU (as amended, “MiFID II”); (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; [and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services – subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.] Any person subsequently offering, selling or recommending the Notes (a “Distributor”) should take into consideration each Manufacturer’s target market assessment. A distributor subject to MiFID II is, however, responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining a Manufacturer’s target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”) or the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

PROHIBITION OF SALES TO CONSUMERS – The Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to “consumers” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

Final Terms dated [●]

Belfius Bank SA/NV

Legal Entity Identifier (LEI): A5GWLFFH3KM7YV2SFQL84

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

under the EUR 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 Base Prospectus dated 11 May 2020 [and the Base Prospectus Supplement[s] dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of [Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”)]/[the Prospectus Regulation]/[Part III, Chapter 2 of the Luxembourg law of 16 July 2019 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended (the “**Luxembourg Prospectus Law**”))]. This document constitutes the Final Terms of the Notes described herein for the purposes of [the Prospectus Regulation]/[Part III, Chapter 2 of the Luxembourg Prospectus Law] and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all relevant information. The Base Prospectus has been published on the website of the Issuer (www.belfius.be/about-us/en/investors) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

[(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus (or equivalent) with an earlier date.)]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 26 April 2019 which are incorporated by reference in the Base Prospectus dated 11 May 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of [Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”)]/[the Prospectus Regulation]/[Part III, Chapter 2 of the Luxembourg law of 16 July 2019 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended (the “**Luxembourg Prospectus Law**”)] and must be read in conjunction with the Base Prospectus dated 11 May 2020 [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of [the Prospectus Regulation]/[Part III, Chapter 2 of the Luxembourg Prospectus Law] (the “**Base Prospectus**”) in order to obtain all relevant information, save in respect of the Terms and Conditions which are extracted from the Base Prospectus dated 26 April 2019. [The Base Prospectus dated 11 May 2020 [, the supplement[s] to the Base Prospectus dated [●]] and the terms and conditions set forth in the Base Prospectus dated 26 April 2019 have been published on the website of the Issuer (www.belfius.be/about-us/en/investors) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

(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: | []] |
| | | <i>(delete if not applicable)</i> |
| | (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]/[with effect from the date that is 40 days following the Issue Date]] |
| 2 | Specified Currency or Currencies: | [] |
| 3 | Aggregate Nominal Amount: | [] |
| | [(I) Series: | [] |
| | [(II) Tranche: | []] |

		<i>(delete if not applicable)</i>
4	Issue Price:	[]% of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable, insert if Notes are fungible with a previous issue)]
5	(I) Specified Denomination(s):	[] [and integral multiples of [] in excess thereof up to and including [●]]. <i>(Note: No Notes may be issued which have a minimum denomination of less than EUR 100,000 (or nearly equivalent amount in other currencies.)</i>
	(II) Calculation Amount:	[]
6	(I) Issue Date:	[]
	(II) Interest Commencement Date:	[] / [Issue Date] / [Not applicable]
7	Maturity Date:	[Fixed maturity date: [] / [Interest Payment Date falling on or nearest to [] (specify in this format for Floating Rate Notes or CMS-Linked Interest Notes)]] / [No fixed maturity date: perpetual] <i>(Note: Subordinated Notes that are included in or count towards the Tier 2 capital of the Issuer will have a minimum maturity of five years or such other minimum maturity as required by the Applicable Banking Regulation.)</i>
8	Interest Basis:	[Not Applicable. The Notes do not bear any interest] [[]% Fixed Rate (Further particulars specified in Paragraph 14 of Part A of the Final Terms below)] [[EURIBOR/LIBOR/SONIA] +/- [Margin]] Floating Rate, Further particulars specified below] [CMS-Linked Interest Note] [Zero Coupon] [Range Accrual Note] [Resettable Note (Further particulars specified in Paragraph 15 of Part A of the Final Terms below)] <i>(include all which are relevant)</i>
9	Redemption/Payment Basis:	[Par Redemption] / [Specified Redemption Amount].
10	Change of Interest Basis:	[Applicable. Notes are [Fixed to Floating Rate Notes / Floating to Fixed Rate Notes]] / [Not Applicable]
11	Call Options:	
	(I) Call Option: (Condition 3(c))	[Applicable. Further details specified in Paragraph 19 of Part A of the Final Terms below] / [Not Applicable].
12	(I) Status of the Notes:	[Senior Preferred] / [Senior Non-Preferred] / [Subordinated] Notes
	(II) Subordinated Notes	[Applicable] / [Not applicable]

(if Not applicable, delete the sub-paragraphs under this paragraph)

- Condition 3(d) [Applicable. Further details specified in Paragraph 23 of Part A (Redemption upon Capital Disqualification Event)] / [Not applicable]
- Condition 6(d): [Applicable] / [Not applicable] Substitution and Variation
- (III) Senior Notes [Applicable] / [Not applicable]
(if Not applicable, delete the sub-paragraphs under this paragraph)
 - Condition 3(f) [Applicable. Further details specified in Paragraph 23 of Part A (Redemption of Senior Notes upon the occurrence of a MREL/TLAC Disqualification Event)] / [Not applicable]
 - Condition 6(d): [Applicable] / [Not applicable] Substitution and Variation
- (IV) Date of any additional [] [and [], respectively]] / [Not Applicable]
[Board] approval for
issuance of Notes
obtained:
(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 [All] / [Notes are Fixed to Floating Rate Notes, and Fixed Rate Fixed Rate Note Provisions shall apply for the following Interest Periods: Provisions are applicable: 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 annum [payable [annually/semi-annually/quarterly/monthly] in arrear] [for the period from [] to []... and []% 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.] / [Not subject to adjustment in accordance with the Business Day Convention.]
(VI)	Business Day Convention:	[Following Business Day Convention]
(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] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(I)	Initial Rate of Interest:	[]% 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.] / [Not subject to adjustment in accordance with the Business Day Convention.]
(IV)	Business Day Convention:	[Following Business Day Convention] / [Modified Following Business Day Convention]
(V)	First Margin:	[+/-] []% per annum
(VI)	Subsequent Margin:	[+/-] []% 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) Determination Dates	[]
	(IX) First Resettable Note Reset Date:	[]
	(X) Second Resettable Note Reset Date:	[]
	(XI) Subsequent Resettable Note Reset Date[s]:	[[], [], []] / [Not Applicable]
	(XII) Reset Determination Date[s]:	[[], [], []] / [Not Applicable]
	(XIII) Relevant Screen Page:	[[], [], []] / [Not Applicable]
	(XIV) Mid-Swap Rate	[Single Mid-Swap Rate] [Mean Mid-Swap Rate]
	(XV) Mid-Swap Maturity:	[] / [Not Applicable]
	(XVI) 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] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(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]. <i>(delete as appropriate)</i>
	(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 subject to any adjustment as the Business Day Convention in (IV) below is specified as Not Applicable <i>(Specify “Not Applicable” if fallback in Condition 2(m) applies)</i>
	(III) Interest Period Dates:	[Not applicable] / [Each [] and [], from and including [] up to and including []] <i>(Specify “Not Applicable” if fallback in Condition 2(m) applies)</i>
	(IV) Business Day Convention:	[Following Business Day Convention] / [Modified Following Business Day Convention] / [Not Applicable] <i>(delete as appropriate)</i>

- (V) Business Centre(s): [] / [Not Applicable]
- (VI) Reference Banks: []
- (VII) 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 (XI) below apply]
- (VIII) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [Calculation Agent][*name*]
- (IX) 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)]
[Second London Banking Day prior to the start of each Interest Period][first day of each Interest Period][the second day on which the TARGET2 System is open prior to the start of each Interest Period] [] London Banking Day prior to the end of each Interest Period] [][days prior to start of each Interest Period]
 - Relevant Screen Page: []
 - Relevant Time
 - Margin: [Not Applicable] / [[+/-][]% per annum[in respect of Interest Period from and including [the Interest Commencement Date] to but excluding [], [[+/-][]% per annum from and including [] to but excluding [].... and [[+/-][]% per annum from and including [] to but excluding []]]
 - Leverage: [] / [Not Applicable]
- (X) 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 annum[in respect of Interest Period from and including [the Interest Commencement Date] to but excluding [], [[+/-][]% per annum from and including [] to but excluding [].... and [[+/-][]% per annum from and including [] to but excluding []]]
 - Leverage: [] / [Not Applicable]

- (XI) Linear interpolation [Not Applicable/ Applicable – the Rate of Interest for the [long/ short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (XII) CMS-Linked Interest [Applicable] / [Not Applicable]
Notes: (*if Not applicable, delete the sub-paragraphs under this paragraph*)
- Reference Rate: [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] / [Not subject to adjustment in accordance with the Business Day Convention.]
(*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 annum[in respect of Interest Period from and including [the Interest Commencement Date] to but excluding [], [[+/-][]% per annum from and including [] to but excluding [].... and [[+/-][]% per annum from and including [] to but excluding []]
 - Leverage: [] / [Not Applicable]
- (XIII) Minimum Rate of Interest: []% / [Not Applicable]

	(XIV) Maximum Rate of Interest:	[]% / [Not Applicable]
	(XV) 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)]
	(XVI) Determination Date	[]
17	Zero Coupon Note Provisions	[Applicable] / [Not Applicable] <i>(if Not applicable, delete the sub-paragraphs under this paragraph)</i>
	(I) Amortisation Yield:	[]% 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)]
	(III) Determination Date	[]
18	Range Accrual Provisions	[Applicable] / [Not Applicable] <i>(if Not applicable, delete the sub-paragraphs under this paragraph)</i>
	(I) Reference Rate:	[]
	(II) Specified Rate:	[[]%]
	(III) Upper Barrier:	[]
	(IV) Lower Barrier:	[]
	(V) Maximum Rate of Interest:	[]% / [Not Applicable]
	(VI) Minimum Rate of Interest:	[]% / [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][<i>name</i>]
	(IX) 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 <i>(Specify "Not Applicable" if fallback in Condition 2(m) applies)</i>
	(X) Interest Period Dates:	[Not applicable] / [Each [] and [], from and including [] up to and including []] <i>(Specify "Not Applicable" if fallback in Condition 2(m) applies)</i>

	(XI) Business Day Convention:	[Following Business Day Convention] / [Modified Following Business Day Convention] (delete as appropriate)
	(XII) Business Centre(s):	[] / [Not Applicable]
	Provisions Relating to Redemption	
19	Call Option (Condition 3(c))	[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] / [Modified Following Business Day Convention] (delete as appropriate)
	(III) Redemption Amount (Call) of each Note:	[Specified Redemption Amount] / [Par Redemption]
	(IV) Specified Fixed Percentage Rate:	[[]%] / []% in respect of the Optional Redemption Date falling on [], []% 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%)
	(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	Final Redemption Amount of each Note	[Specified Redemption Amount] / [Par Redemption]
	(I) Specified Fixed Percentage Rate:	[[]%] / [Not Applicable] (Specify only if “Specified Redemption Amount” is selected. Note: the Specified Fixed Percentage Rate must be at least 100%)
21	Zero Coupon Note Redemption Amount of each Zero Coupon Note	[Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount]
	(I) Specified Fixed Percentage Rate:	[[]%] / [Not Applicable] (Specify only if “Specified Redemption Amount” is selected. Note: the Specified Fixed Percentage Rate must be at least 100%)

Early Redemption

- (I) Tax Event Redemption Amount (Condition 3(e)) [Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount] / [Not Applicable]
(Note: the Specified Fixed Percentage Rate must be at least 100%)
- (a) Specified Fixed Percentage Rate: [[]%] / [Not Applicable]
(Specify only if “Specified Redemption Amount” is selected. Note: the Specified Fixed Percentage Rate must be at least 100%)
- (b) Amortisation Yield: [[]%] / [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) Redemption upon the occurrence of a Tax Event (Condition 3(e)) Redemption [on any Interest Payment Date] / [on any Resettable Note Interest Payment Date] / [at any time] after the occurrence of a Tax Event which is continuing
- (III) Capital Disqualification Event Early Redemption Price (Condition 3(d)) [Specified Redemption Amount, and the Specified Fixed Percentage Rate is []%] / [Par Redemption] / [Not applicable]
(Note: the Specified Fixed Percentage Rate must be at least 100%)
- (IV) Redemption upon Capital Disqualification Event Redemption [on any Interest Payment Date] / [on any Resettable Note Interest Payment Date] / [at any time] after the occurrence of a Capital Disqualification Event which is continuing
- (V) MREL/TLAC Disqualification Event Early Redemption Price (Condition 3(f)): [Specified Redemption Amount, and the Specified Fixed Percentage Rate is []%] / [Par Redemption] / [Not applicable]
(Note: the Specified Fixed Percentage Rate must be at least 100%)
- (VI) Event of Default Redemption Amount (Condition 11): [Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount]
(Note: the Specified Fixed Percentage Rate must be at least 100%)
- (a) Specified Fixed Percentage Rate: [[]%] / [Not Applicable]
(Specify only if “Specified Redemption Amount” is selected. Note: the Specified Fixed Percentage Rate must be at least 100%)
- (b) Amortisation Yield: [[]%] / [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 **Substitution (Condition 7)** [Applicable] / [Not Applicable]

General Provisions Applicable to the Notes

24 Business Day Jurisdictions for []
 payments

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][is expected to be] made by the Issuer (or on its behalf) 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]] / *[other stock exchange specify relevant regulated market and also any third country market, SME Growth Market or MTF].* / [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: []]
(The above disclosure should reflect the rating allocated to the Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)
*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

¹ A list of registered Credit Rating Agencies is published on the ESMA website (<https://www.esma.europa.eu/>).

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.]

[[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

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking

transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests).*

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer []
 [See [“Use of Proceeds”] in Base Prospectus/Give details]
(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details here.)

Estimated net proceeds []

5 **Fixed Rate Notes only - YIELD**

[Not Applicable]

(if Not applicable, delete the sub-paragraph under this paragraph)

Indication of yield: [] [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

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

[Not Applicable]

(if Not applicable, delete the sub-paragraph under this paragraph)

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

7 **Range Accrual Notes only – Historic Reference Rates**

[Not Applicable]

(if Not applicable, delete the sub-paragraph under this paragraph)

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

8 OPERATIONAL INFORMATION

Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation “yes” simply means that the Notes to be held in a manner which would allow Eurosystem eligibility and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No.]

ISIN Code: []

[Temporary ISIN Code:] []

Common Code: []

[Temporary Common Code:] []

[CFI:	[Not Applicable/Not Available/[●]] (If the CFI is not required or requested, it should be specified to be “Not Applicable”.)
[FISN:	[Not Applicable/ Not Available/[●]] (If the FISN is not required or requested, it should be specified to be “Not Applicable”.)
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[]
Name and address of Calculation Agent (if any):	[]
[Name and address of the operator of the Alternative Clearing System]	[]
Relevant Benchmark[s]:	[Not Applicable]/[specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name][appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation.] / [As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation.]

9 DISTRIBUTION

(i) Method of distribution:	[Syndicated/Non-syndicated]
If syndicated:	
(A) Names and addresses of Dealers and underwriting commitments:	[Not Applicable/give names, addresses and underwriting commitments]
(B) Date of [Subscription] Agreement:	[●]
(C) Stabilising Manager(s) if any:	[Not Applicable/give name]
If non-syndicated, name and address of Dealer:	[Not Applicable/give name and address]
(ii) Additional Selling Restrictions:	[Not applicable/give details]
(iii) US Selling Restrictions (Categories of potential investors to which the Notes are offered):	Reg. S Compliance Category 2; TEFRA not applicable
(iv) Prohibition of Sales to EEA and UK Retail Investors:	[Applicable / Not Applicable] (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

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 regulated market of the Luxembourg Stock Exchange. Application has also been made to the Luxembourg Stock Exchange to approve the Base Prospectus for the issue of Notes having a maturity on issue of less than twelve months pursuant to Part III, Chapter 2 of the Luxembourg Prospectus Law.
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 18 February 2020.
3. Belfius Bank is an Authorised European Institution and is included on the Credit Institution Register of the EBA.
4. Save as disclosed under the section “*Description of the Issuer*” on pages 88 to 115 of this Base Prospectus, there has been no material adverse change in the prospects of Belfius Bank on a consolidated basis since 31 December 2019.
5. The negative economic effects of the ongoing spread of COVID-19 on Belfius Bank cannot be adequately determined or precisely quantified for the time being and, as a result, the negative impact on the financial position or the financial performance of Belfius Bank is at this stage difficult to determine. Save as disclosed under the section “*Description of the Issuer – Post-balance sheet events*” on pages 96 to 97 of this Base Prospectus, there has been no significant change in the financial position or the financial performance of Belfius Bank since 31 December 2019.
6. Save as disclosed under the section “*Description of the Issuer – Litigation*” on pages 104 to 107 of this Base Prospectus, 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 twelve months preceding the date of this Base Prospectus which may have or have had in the recent past significant effects, on the financial position or profitability of Belfius Bank or any of its subsidiaries.
7. The Notes have been accepted for clearance through the Securities Settlement System operated by the National Bank of Belgium. The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any Alternative Clearing System) for each Series of Notes will be set out in the applicable Final Terms. Access to the Securities Settlement System is available through those of the participants in the Securities Settlement System whose membership extends to securities such as the Notes. Participants in the Securities Settlement System include certain banks, stockbrokers, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa or Euroclear France.
8. As at the date of this Base Prospectus, the address of the National Bank of Belgium (i.e., the operator of the Securities Settlement System) is Boulevard de Berlaimont 14, B-1000 Brussels, Belgium and the address of the operator of any Alternative Clearing System will be specified in the applicable Final Terms.
9. As at the date of this Base Prospectus, there are no material contracts entered into other than in the ordinary course of 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.

11. For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will be available for inspection on the website of the Issuer (www.belfius.be/about-us/en/investors):
- (i) the articles of association of Belfius Bank;
 - (ii) this Base Prospectus and any supplements and each Final Terms; and
 - (iii) the annual report and audited annual accounts of Belfius Bank for the financial years ended 31 December 2018 and 31 December 2019, including the reports of the statutory auditors in respect thereof.

The Agency Agreement will, so long as any Notes are outstanding, be available for inspection, during normal business hours on any weekday (Saturdays and public holidays excepted), at the specified office of the Paying Agent.

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

12. No entity or organisation has been appointed to act as representative of the Noteholders. The provisions on meetings of Noteholders are set out in Condition 10 (*Meeting of Noteholders and modification to Agency Agreement*) and Schedule 1 (*Provisions on meetings of Noteholders*) to the Conditions.
13. The audit of Belfius Bank's financial statements was conducted by Deloitte Reviseurs d'Entreprises SC s.f.d. SCRL, represented by Bart Dewael and Bernard De Meulemeester (members of IBR – IRE *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*) in relation to the audit of the consolidated financial statements of Belfius for the financial years ended 31 December 2018 and 31 December 2019. They have rendered unqualified audit reports on the financial statements of Belfius Bank for the financial years ended 31 December 2018 and 31 December 2019.

The mandate of Deloitte Reviseurs d'Entreprises SC s.f.d. SCRL ended after the ordinary general meeting of shareholders of Belfius Bank held on 29 April 2020. KPMG Reviseurs d'Entreprises SCRL, represented by Olivier Macq and Kenneth Vermeire (members of IBR – IRE *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*) were appointed as statutory auditors of Belfius Bank by its ordinary general meeting of shareholders for a term of three years.

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

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AUDITORS

Until 29 April 2020

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA

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As from 29 April 2020

KPMG Reviseurs d'Entreprises SCRL

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