

**SECOND SUPPLEMENT DATED 27 APRIL 2021
TO THE BASE PROSPECTUS DATED 22 SEPTEMBER 2020**



BELFIUS FINANCING COMPANY SA

(Incorporated with limited liability under the laws of the Grand Duchy of Luxembourg)

Issuer

BELFIUS BANK SA/NV

(Incorporated with limited liability under the laws of Belgium)

Issuer, Guarantor, Domiciliary Agent, Principal Paying Agent, Paying Agent and Calculation Agent

BANQUE INTERNATIONALE A LUXEMBOURG,

SOCIETE ANONYME

Fiscal Agent and Principal Paying Agent

NOTES ISSUANCE PROGRAMME

EUR 20,000,000,000

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 22 September 2020 as amended and supplemented (the “**Base Prospectus**”) prepared in relation to the Programme and prepared in respect of the issuance of Belfius Bank Notes and Belfius Financing Company Notes. On 22 September 2020, the Belgian Financial Services and Markets Authority (the “**FSMA**”) approved the Base Prospectus as a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The FSMA approved the First Supplement on 2 March 2021 as supplement to the Base Prospectus for the purposes of Article 23 of the Prospectus Regulation.

The FSMA approves this Second Supplement on 27 April 2021 as supplement to the Base Prospectus for the purposes of Article 23 of the Prospectus Regulation.

The Issuers accept responsibility for the information contained in this Second Supplement. The Issuers declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Second Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Supplement. The Base Prospectus, the First Supplement and the Second Supplement are available on <https://www.belfius-financingcompany.lu/FR/titres-creances/index.aspx> and a copy can be obtained free of charge in the offices of Belfius Bank SA/NV.

In case of inconsistency between (a) statements in this Second Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, as supplemented, the Second Supplement will prevail.

This Second Supplement has been prepared for the purposes of incorporating by reference the Annual Accounts 2020 and the disclosure document on alternative performance measures for the year ended 31 December 2020 of Belfius Bank (available on <https://www.belfius.be/about-us/en/investors/results->

[reports/reports](https://www.belfius-financingcompany.lu/FR/rapports-annuels/index.aspx)) and the Annual Accounts 2020 of Belfius Financing Company (<https://www.belfius-financingcompany.lu/FR/rapports-annuels/index.aspx>).

Save as disclosed in this Second Supplement and any supplement to the Base Prospectus, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

In accordance with article 23 paragraph 2a of the Prospectus Regulation, investors who have, before the publication of this Second Supplement, already agreed to purchase or subscribe notes which are not yet settled at the date of such publication, have the right to revoke their acceptance until 30 April 2021 (included). This right of revocation relates to the following Notes:

- Belfius Financing Company (LU) Be=Long 95 05/2026
- Belfius Financing Company (LU) Climate 90 05/2027
- Belfius Financing Company (LU) Private Notes Banks 04/2027
- Belfius Financing Company (LU) Step Up Liquidity 06/2027
- Belfius Financing Company (LU) Callable Interest 06/2031
- Belfius Financing Company (LU) Multicall Be=Long 06/2031
- Belfius Financing Company (LU) Memory Notes 06/2031
- Belfius Financing Company (LU) NZD 05/2021-05/2027
- Belfius Financing Company (LU) USD 05/2021-05/2027

1. Results 2020 of Belfius Bank SA/NV and Belfius Financing Company, SA

The section 5. “Documents incorporated by reference” on page 25 is amended as follows:

The Base Prospectus should be read and construed in conjunction with (i) the audited consolidated accounts of Belfius Bank for the years ended 31 December 2019¹ and 31 December 2020² and, including the reports of the statutory auditors in respect thereof, as well as for Belfius Bank the half-yearly report for the period ending 30 June 2020 (the “**Half-Yearly Report 2020**”³) and (ii) the disclosure document on alternative performance measures (“**APM**”) for the year ended 31 December 2020⁴ and the half-yearly document for the period ending 30 June 2020⁵, which are incorporated by reference in this Base Prospectus.

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 should also be read and construed in conjunction with the audited accounts of Belfius Financing Company (<https://www.belfius-financingcompany.lu/FR/rapports-annuels/index.aspx>) for the years ended 31 December 2019 and 31 December 2020, including the reports of the statutory auditors in respect thereof, as well as the semi-annual unaudited key financial figures for 30 June 2020 for Belfius Financing Company, each as incorporated in Annex 5 of this Base Prospectus.

In accordance with Article 8(11) of the Prospectus Regulation, this Base Prospectus should also be read and construed in conjunction with the form of the Final Terms, the relevant Final Terms and the relevant Terms and Conditions of the Notes from the previous base prospectus relating to the Programme which was approved by the FSMA on 24 September 2019 (and which was replaced and superseded by this Base Prospectus) (with respect to any Notes offered to the public and which offer continues after the expiration of such previous base prospectus under which it was commenced), which are incorporated by reference in this Base Prospectus.

Copies of all documents incorporated by reference in this Base Prospectus may be obtained without charge from the offices of Belfius Bank and on the website of Belfius Bank (<https://www.belfius.be>).

The tables below set out the relevant page references for:

- (a) the (i) consolidated balance sheet, (ii) consolidated statement of income, (iii) consolidated statement of comprehensive income, (iv) consolidated statement of change in equity, (v) consolidated cash flow statement, (vi) notes to the consolidated financial statements, (vii) audit report on the consolidated accounts, (viii) non-consolidated balance sheet, (ix) non-consolidated statement of income, (x) audit report on the non-consolidated accounts, (xi) APMs and (xii) Information on the COVID-19 crisis for the years ended 31 December 2019 and 31 December 2020 of Belfius Bank;
- (b) the (i) unaudited consolidated balance sheet, (ii) unaudited consolidated statement of income, (iii) unaudited consolidated statement of comprehensive income, (iv) unaudited consolidated statement of change in equity, (v) unaudited consolidated cash flow statement, (vi) limited review report on the consolidated accounts, and (vii) notes to the consolidated financial statements of Belfius Bank for the period ended 30 June 2020 as set out in the Half-Yearly Report 2020;

¹ https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_RA2019_eng.pdf

² https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_RA2020_eng.pdf

³ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/1H%202020%20Half-yearly%20Report.pdf>

⁴ https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_APM_2020.pdf

⁵ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/APM%201H%202020.pdf>

- (c) the accounting policies, notes and auditors' reports of Belfius Financing Company for the financial years ended 31 December 2019 and 31 December 2020, and the references to the unaudited semi-annual report of 30 June 2020 (each as also incorporated in Annex 5 of this Base Prospectus).

Information contained in the documents incorporated by reference or incorporated in Annex 5 (as applicable) other than information listed in the table below is for information purposes only, and does not form part of this Base Prospectus. Such non-incorporated parts are deemed not relevant for the investor, or are covered elsewhere in this Base Prospectus.

The balance sheet and statement of income of Belfius Financing Company can be found in the section headed "6. Belfius Financing Company SA" of this Base Prospectus.

Belfius Financing Company

<i>(refer to pages of the Report(s))</i>	Annual Report 2019 Audited	Annual Report 2020 Audited	Report on the Interim Accounts on 30 June 2020 Unaudited
Balance Sheet	6	6	3
Statement of Income	8	12	5
Audit Report on the Accounts	1	1	N/A
Notes to the Accounts	10	15	7

The consolidated balance sheet and consolidated statement of income of Belfius Bank can be found in the section headed "7. Belfius Bank SA/NV" of this Base Prospectus.

Belfius Bank SA/NV

<i>(refer to pages of the Report(s))</i>	Annual Report 2019 (English version) audited	Annual Report 2020 (English version) audited	Half-Yearly Report 2020 (English version) unaudited – condensed
Consolidated balance sheet	176	194	80
Consolidated statement of income	178	196	82
Consolidated statement of comprehensive income	180	198	84
Consolidated statement of change in equity	182	200	86
Consolidated cash flow statement	187	205	91
Notes to the consolidated financial statements	189	208	95
Audit report on the consolidated accounts	326	344	150
Non-consolidated balance sheet	336	352	N/A
Non-consolidated statement of income	339	355	N/A
Audit report on the non-consolidated accounts	341	357	N/A
Alternative performance measures APM	N/A	N/A	N/A
Information on the COVID-19 crisis	N/A	15 to 18, 117, 124 to 145, 207	11, 44 to 57, 93

**BELFIUS FINANCING COMPANY S.A.
SOCIETE ANONYME**

Annual accounts and Report of the Réviseur
d'Entreprises agréé

as at December 31, 2020

20, rue de l'Industrie

L-8399 Windhof

R.C.S. Luxembourg: B 156767

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ANNUAL ACCOUNTS

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- Notes to the accounts	15 - 25

To the Sole Shareholder of
Belfius Financing Company S.A.
20, rue de l'Industrie
L-8399 Windhof
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Belfius Financing Company S.A. (the "Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Debt instruments issuances and bond investments

Description

Short-term and long-term debt issuances amounting to KEUR 9,270,111 are presented under Creditors in the annual accounts. These issuances are backed by bonds recognized under Investments in the annual accounts for an amount of KEUR 9,270,868.

These transactions form the core activity of the Company and are the most material items of its financial position, investments representing 99% of total assets and creditors 99% of total liabilities.

Therefore, we have considered the completeness and accuracy of the Creditors, the existence and accuracy of the Investments as key audit matters for the purpose of our audit.

How our audit addressed the area of focus

Our procedures included, but were not limited to the following:

- We performed substantive procedures over the Investments and Creditors by obtaining external confirmations and reconciling year-end positions.

Other interest income and similar income and interest payable and similar expenses

Description

The result of the Company is significantly driven by interest income on investments and interest expenses on creditors. As of 31 December 2020, other interest income and similar income amounted to KEUR 136,392 and interest payable and similar expenses amounted to KEUR 134,821.

Therefore, we have considered the accuracy of interest revenue recognition and completeness of interest expenses as key audit matters for the purpose of our audit.

How our audit addressed the area of focus

Our procedures included, but were not limited to the following:

- Assess the design and implementation of key control activities which the Company performs in relation to debt instrument issuances and bond investments.
- Perform test of operating effectiveness of the identified relevant controls.
- Perform substantive analytical procedures on the interests generated from Investments and Creditors.

Other matter relating to comparative information

The annual accounts of the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those annual accounts on 18 March 2020.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the annual accounts and our report of “Réviseur d'Entreprises agréé” thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “Réviseur d’Entreprises agréé” by the Shareholders on 18 March 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter paragraph (1) letter c) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Luxembourg, 15 March 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Stéphanie Smets

Partner

BELFIUS FINANCING COMPANY S.A.
Société Anonyme

BALANCE SHEET

As at December 31, 2020
(expressed in EUR)

Annual Accounts Helpdesk :**Tel. :** (+352) 247 88 494**Email :** centralebilans@statec.etat.lu

RCSL Nr.: B156767

Matricule : 2010 2227 922

eCDF entry date :

BALANCE SHEETFinancial year from ⁰¹ 01/01/2020 to ⁰² 31/12/2020 in ⁰³ EUR)

Belfius Financing Company

20, Rue de l'Industrie
L-8399 Windhof**ASSETS**

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 <u>7</u>	101 <u>981.000,00</u>	102 <u>981.000,00</u>
I. Subscribed capital not called	1103 <u></u>	103 <u>981.000,00</u>	104 <u>981.000,00</u>
II. Subscribed capital called but unpaid	1105 <u></u>	105 <u></u>	106 <u></u>
B. Formation expenses	1107 <u>3</u>	107 <u></u>	108 <u></u>
C. Fixed assets	1109 <u></u>	109 <u>14.141,31</u>	110 <u>8.965,81</u>
I. Intangible assets	1111 <u></u>	111 <u></u>	112 <u></u>
1. Costs of development	1113 <u></u>	113 <u></u>	114 <u></u>
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 <u></u>	115 <u></u>	116 <u></u>
a) acquired for valuable consideration and need not be shown under C.I.3	1117 <u></u>	117 <u></u>	118 <u></u>
b) created by the undertaking itself	1119 <u></u>	119 <u></u>	120 <u></u>
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 <u></u>	121 <u></u>	122 <u></u>
4. Payments on account and intangible assets under development	1123 <u></u>	123 <u></u>	124 <u></u>
II. Tangible assets	1125 <u>4</u>	125 <u>14.141,31</u>	126 <u>8.965,81</u>
1. Land and buildings	1127 <u></u>	127 <u></u>	128 <u></u>
2. Plant and machinery	1129 <u></u>	129 <u></u>	130 <u></u>

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1121 _____	131 <u>14.141,31</u>	132 <u>8.965,81</u>
4. Payments on account and tangible assets in the course of construction	1122 _____	133 _____	134 _____
III. Financial assets	1125 _____	135 _____	136 _____
1. Shares in affiliated undertakings	1127 _____	137 _____	138 _____
2. Loans to affiliated undertakings	1129 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
D. Current assets	1151 _____	151 <u>9.274.112.857,54</u>	152 <u>10.792.037.606,08</u>
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 <u>5</u>	163 <u>223.058,00</u>	164 <u>228.222,00</u>
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 _____	172 _____
a) becoming due and payable within one year	1173 _____	173 _____	174 _____
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 <u>223.058,00</u>	184 <u>228.222,00</u>
a) becoming due and payable within one year	1185 _____	185 <u>223.058,00</u>	186 <u>228.222,00</u>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	Reference(s)	Current year	Previous year
III. Investments	1189	9.270.868.049,12	10.789.261.476,76
1. Shares in affiliated undertakings	1191		
2. Own shares	1209		
3. Other investments	1195 6	9.270.868.049,12	10.789.261.476,76
IV. Cash at bank and in hand	1197	3.021.750,42	2.547.907,32
E. Prepayments	1199	9.196,92	6.725,16
TOTAL (ASSETS)	201	9.275.117.195,77	10.793.034.297,05

RCSL Nr. : B156767

Matricule : 2010 2227 922

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1201 <u>7</u>	301 <u>4.616.612,98</u>	302 <u>4.627.449,33</u>
I. Subscribed capital	1203 _____	303 <u>3.094.004,00</u>	304 <u>3.094.004,00</u>
II. Share premium account	1205 _____	305 _____	306 _____
III. Revaluation reserve	1207 _____	307 _____	308 _____
IV. Reserves	1209 _____	309 <u>1.007.286,17</u>	310 <u>886.954,45</u>
1. Legal reserve	1211 _____	311 <u>299.586,17</u>	312 <u>270.404,45</u>
2. Reserve for own shares	1213 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1215 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 <u>707.700,00</u>	430 <u>616.550,00</u>
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 <u>707.700,00</u>	434 <u>616.550,00</u>
V. Profit or loss brought forward	1219 _____	319 <u>88.434,16</u>	320 <u>62.856,52</u>
VI. Profit or loss for the financial year	1221 _____	321 <u>426.888,65</u>	322 <u>583.634,36</u>
VII. Interim dividends	1223 _____	323 _____	324 _____
VIII. Capital investment subsidies	1225 _____	325 _____	326 _____
B. Provisions	1227 _____	327 _____	328 <u>223.069,28</u>
1. Provisions for pensions and similar obligations	1233 _____	333 _____	334 _____
2. Provisions for taxation	1235 _____	335 _____	336 <u>223.069,28</u>
3. Other provisions	1237 _____	337 _____	338 _____
C. Creditors	1435 _____	435 <u>9.270.362.035,86</u>	436 <u>10.788.102.747,21</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1255 _____	355 _____	356 _____
a) becoming due and payable within one year	1257 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1259 _____	359 _____	360 _____

RCSL Nr.: B156767

Matricule: 2010 2227 922

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1261 _____	361 _____	362 _____
a) becoming due and payable within one year	1263 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1265 _____	365 _____	366 _____
4. Trade creditors	1267 _____	367 _____	368 _____
a) becoming due and payable within one year	1269 _____	369 _____	370 _____
b) becoming due and payable after more than one year	1271 _____	371 _____	372 _____
5. Bills of exchange payable	1273 _____	373 _____	374 _____
a) becoming due and payable within one year	1275 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1277 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1279 _____	379 _____	380 _____
a) becoming due and payable within one year	1281 _____	381 _____	382 _____
b) becoming due and payable after more than one year	1283 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1285 _____	385 _____	386 _____
a) becoming due and payable within one year	1287 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1289 _____	389 _____	390 _____
8. Other creditors	1451 _____ 8	451 _____ 9.270.362.035,86	452 _____ 10.788.102.747,21
a) Tax authorities	1293 _____	393 _____ 240.212,91	394 _____ 106.671,56
b) Social security authorities	1295 _____	395 _____ 10.530,11	396 _____ 10.579,73
c) Other creditors	1297 _____	397 _____ 9.270.111.292,84	398 _____ 10.787.985.495,92
i) becoming due and payable within one year	1299 _____	399 _____ 1.473.905.265,14	400 _____ 3.014.272.444,44
ii) becoming due and payable after more than one year	1401 _____	401 _____ 7.796.206.027,70	402 _____ 7.773.713.051,48
D. Deferred Income	1403 _____	403 _____ 138.546,93	404 _____ 81.031,23
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 _____ 9.275.117.195,77	406 _____ 10.793.034.297,05

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2020

(expressed in EUR)

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494

Email : centralebilans@statec.etat.lu

RCSL Nr. : B156767

Matricule : 2010 2227 922

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2020 to ⁰² 31/12/2020 /in ⁰³ EUR)

Belfius Financing Company

20, Rue de l'Industrie
L-8399 Windhof

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 <u>13.612,13</u>	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-683.684,82</u>	672 <u>-792.405,32</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 <u>9</u>	603 <u>-683.684,82</u>	604 <u>-792.405,32</u>
6. Staff costs	1605 <u>13</u>	605 <u>-286.250,33</u>	606 <u>-305.096,65</u>
a) Wages and salaries	1607 _____	607 <u>-244.616,42</u>	608 <u>-260.171,54</u>
b) Social security costs	1609 _____	609 <u>-30.638,42</u>	610 <u>-31.307,96</u>
i) relating to pensions	1653 _____	653 <u>-20.069,66</u>	654 <u>-20.550,84</u>
ii) other social security costs	1655 _____	655 <u>-10.568,76</u>	656 <u>-10.757,12</u>
c) Other staff costs	1613 _____	613 <u>-10.995,49</u>	614 <u>-13.617,15</u>
7. Value adjustments	1657 _____	657 <u>-2.742,49</u>	658 <u>-7.953,15</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 <u>3,4</u>	659 <u>-2.742,49</u>	660 <u>-7.953,15</u>
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 <u>12</u>	621 <u>-19.532,60</u>	622 <u>-19.530,00</u>

The accompanying notes form an integral part of these annual accounts.

RCSL Nr.: B156767

Matricule : 2010 2227 922

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670

The accompanying notes form an integral part of these annual accounts.

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

NOTES TO THE ACCOUNTS

As at December 31, 2020

(expressed in thousands of EUR)

NOTE 1 - GENERAL

Belfius Financing Company S.A. (the "Company") is a wholly-owned subsidiary of Belfius Bank S.A./N.V..

Belfius Financing Company S.A. falls under the requirements of Luxembourg rules and regulations applicable to companies issuing debt securities having no voting rights on the regulated market of the Luxembourg Stock Exchange.

The current debt issuance programmes of the Company are:

a) Long Term: Notes Issuance Programme (NIP)

The limit of the Notes Issuance Programme amounts to EUR 20.000.000.000. The debt securities issued under this program are guaranteed by Belfius Bank S.A./N.V.. Notes may be issued on a preferred senior basis. The Notes are not listed and are governed by Belgian law and are mainly placed with retail investors.

b) Short Term: Euro-Commercial Paper Programme (ECP)

The Euro-Commercial Paper Programme amounts to maximum EUR 10.000.000.000. These debt securities issued under this programme are not listed and are guaranteed by Belfius Bank S.A./N.V. and have a minimum maturity of one day and a maximum maturity of 364 days.

Although issues under the two current programs are not listed, there is still an older issue listed on the Luxembourg Stock Exchange, which will mature in 2022.

According to Article 4 of its restated articles of association, the purpose of the Company is: "(a) to hold shareholdings and stakes, in any form whatsoever, in any commercial, industrial, financial or other Luxembourg or foreign company or undertakings, as well as to manage and optimize these stakes, (b) to acquire by way of participations, contributions, guarantees, acquisitions or options, negotiation or any other means, securities, rights, patents, licenses and other assets, provided the Company considers it appropriate to do so, and in general to hold, manage, optimize, sell or transfer the aforementioned, in whole or in part; (c) to take part in commercial, financial or other transactions and to grant to any holding company, subsidiary, associated or affiliated company or any other company belonging to the same corporate group as the Company any financial assistance, loan, advance or guarantee; (d) to borrow, raise funds by any means whatsoever (including without limitation the issuance of preferred equity certificates (PECs) (nonconvertible or convertible into shares), loans, bonds, acknowledgements of debt and any other form of debt or type of instrument) and to ensure the reimbursement of any borrowed amount; to perform all operations directly or indirectly related to this purpose.

The Company may grant pledges, guarantees, liens, mortgages and any other type of security (surety), as well as any form of compensation, to Luxembourg or foreign entity (ies) in relation to its own obligations and debts, or in relation to the obligations and debts of subsidiaries, associated or affiliated companies or any company belonging to the same corporate group.

The Company may acquire immovable property located abroad or in Luxembourg.

The Company may moreover perform any commercial, technical or financial transactions, involving movable or immovable property, which are directly or indirectly related to the abovementioned purpose."

NOTE 1 – GENERAL (CONTINUED)

The Company is registered with the Luxembourg Register of Commerce and Companies under number B 156 767.

The financial year of the Company runs from January 1 until December 31 of each year.

The Company is not required to draw up consolidated accounts in accordance with Article 1711-1 of the commercial Law of August 10, 1915, as amended.

Its registered office is established in the municipality of Koerich, at 20, rue de l'Industrie, L-8399 Windhof, Grand-Duchy of Luxembourg.

The Company's annual accounts are included in the consolidated accounts of Belfius Bank S.A./N.V., incorporated under the Law of Belgium. These can be obtained from Belfius Bank S.A./N.V., Place Charles Rogier 11, B-1210 Brussels, Belgium.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General principles

These annual accounts are prepared in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg and on a going concern basis.

External expenses were reclassified from "Other operating expenses" to "Other external expenses" for the year ended December 31, 2019 in the amount of KEUR 792.

Translation of currencies

The Company maintains its accounting records in euro (EUR) and the annual accounts are prepared in this currency.

Assets and liabilities denominated in currencies other than EUR are translated at rates of exchange applicable at the balance sheet date. Transactions denominated in other currencies are translated at the approximate rates applicable at the time of the transactions. Exchange gains and losses are credited or charged to the profit and loss account. This, as well, applies to all current assets and liabilities considering the intrinsic economic link between these positions.

Formation expenses and similar expenses

The formation expenses and similar expenses are amortized linearly over a period of 5 years. Similar expenses include debt issuance costs.

Tangible assets

Office Equipment is carried at its acquisition cost less any accumulated depreciation and any accumulated impairment losses. Office equipment is depreciated on a reducing balance basis over a period of 9 years.

IT materials are amortized linearly on a period of 5 years.

NOTES TO THE ACCOUNTS

as at December 31, 2020

- continued -

Debtors

Loans defined as debtors are stated in the balance sheet at their acquisition value. The carrying value of the loans includes the interest accrued. Incidental costs related to new loans are expensed in the financial year in which they are incurred.

Other debtors and receivables are stated at nominal value which includes interest which is due or accrued.

They are subject to value adjustments where their recovery is compromised or in case of durable depreciation in value according to the opinion of the Board of Directors.

Investments

Bonds are stated in the balance sheet at their acquisition value determined according to the principle of the individualized price or the average acquisition price. Incidental costs related are expensed in the financial period in which they are incurred.

The carrying value of the bonds includes the interest accrued.

The bonds do not expose the Company to market risk and therefore, value adjustments are made in respect of these investments in case of durable depreciation in value according to the opinion of the Board of Directors.

Provisions

At the end of each period, provisions are recorded to cover all foreseeable liabilities and charges related to events which occurred before period end.

Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

Creditors

Amounts payable represented by promissory notes are stated at their net proceeds corresponding to the repayment value. The carrying value includes the interests which are due or accrued.

Amounts payable represented by promissory notes for which the repayment value differs from the issue price are stated at their reimbursement value considering the application of the following rule: the positive difference (premium) or negative difference (discount) between the issue price and the reimbursement price is amortized over the period between issue date and maturity date.

Other interest receivable and similar income

Other interest receivable and similar income are recognised on an accrual basis.

Interest payable and similar expenses

Interest payable and similar expenses are recognised on the accrual basis.

Taxes

Taxes are accounted for on an accrual basis.

NOTES TO THE ACCOUNTS

as at December 31, 2020

- continued -

NOTE 3 - FORMATION EXPENSES

The caption includes costs in relation with the ECP and NIP programmes which have been activated in 2013 and 2014 respectively. They are amortized on a period of five years straight line.

	Cost	Amortization	Net book value
	EUR '000	EUR '000	EUR '000
Costs activated in relation to the ECP	195	195	0
Costs activated in relation to the NIP	99	99	0
	294	294	0

NOTE 4 - TANGIBLE ASSETS

This caption includes costs in relation with the acquisition of Office Equipment and IT materials. Office Equipment are depreciated over a period of nine years and on a reducing balance basis while IT materials are depreciated linearly on a period of five years.

	Cost	Amortization	Net book value
	EUR '000	EUR '000	EUR '000
Office Equipment	10	3	7
IT Materials	8	1	7
	18	4	14

NOTE 5 - DEBTORS

As at December 31, 2020, debtors consist of prepayments made to the Tax Authorities.

The carrying value of the debtors is as follows:

	2020	2019
	EUR '000	EUR '000
Within one year	223	228
After one year and within five years	0	0
More than five years	0	0
TOTAL	223	228

In the opinion of the Board of Directors, no durable depreciations exist to justify a value adjustment on the debtors.

NOTE 6 - INVESTMENTS

As at December 31, 2020, investments consist of bonds issued by Belfius Bank S.A./N.V. which are repayable at nominal value.

The carrying value of the investments includes the related accrued interest and is as follows:

	2020	2019
	EUR '000	EUR '000
Within one year	1.474.031	3.014.866
After one year and within five years	4.683.556	4.957.139
More than five years	3.113.281	2.817.256
TOTAL	9.270.868	10.789.261

In the opinion of the Board of Directors, no durable depreciations exist to justify a value adjustment on the bonds.

NOTE 7 - CAPITAL AND RESERVES

The movements in capital and reserves during the year were as follows:

	Subscribed capital EUR '000	Legal reserve EUR '000	Other reserves EUR '000	Profit brought forward EUR '000	Profit for the financial year EUR '000
Balance as at January 1, 2020	3.094	270	617	63	584
Allocation of prior year result	0	30	91	463	(584)
Dividend paid	0	0	0	(438)	0
Result for the year	0	0	0	0	427
Balance as at December 31, 2020	3.094	300	708	88	427

Subscribed capital and results brought forward

As at December 31, 2020, the share capital of the Company amounts to EUR 3.094.004, fully subscribed and paid up to the extent of the aggregate amount of EUR 2.113.004, represented by 251 shares without par value, held by its Sole Shareholder, Belfius Bank S.A./N.V..

Legal reserve

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net gain for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the Sole Shareholder.

Other reserves

For the year ended December 31, 2020, the Company reduced its wealth tax liability in accordance with tax legislation by setting up a special reserve (classified under "reserves") in an amount equal to five times the amount of the payable wealth tax.

This reserve shall be maintained during the period of five years from the year following that during which the wealth tax was reduced.

NOTES TO THE ACCOUNTS

as at December 31, 2020

- continued -

NOTE 8 - CREDITORS

As at December 31, 2020, creditors are composed of long-term debts in relation with the NIP programme and of short-term debts in relation with the ECP programme fully and irrevocably guaranteed by Belfius Bank S.A./N.V.. Reference is made to note 10 in relation to the interest payable and similar expenses.

The creditors, due and payable within one year, include also the trade creditors and tax and social security debts for a total amount of EUR 250.743 (2019: EUR 117.251).

The carrying value of creditors includes the related accrued interest, as follows:

	2020	2019
	EUR '000	EUR '000
Within one year	1.474.156	3.014.389
After one year and within five years	4.683.167	4.956.663
More than five years	3.113.039	2.817.050
TOTAL	9.270.362	10.788.102

The movements on debts occurring during the year ended December 31, 2020 are attributable to new issues made under the ECP and NIP programmes net of repayments during the year.

NOTE 9 – OTHER EXTERNAL EXPENSES

As at December 31, 2020, other external expenses are composed as follows:

	2020 EUR '000	2019 EUR '000
Occupancy fees	27	27
Service providers		
Accounting / administrative fees	270	400
Technology & system fees	137	132
Legal & tax fees	56	37
External statutory audit fees	29	34
Rating agencies fees	101	106
Professional associations costs	18	16
Training fees	2	1
Bank fees & assimilated	35	31
Other fees	9	8
TOTAL	683	792

NOTE 10 - INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses are composed as follows:

	2020 EUR '000	2019 EUR '000
Interest payable and similar expenses on notes payable (<i>NIP programme</i>)	133.985	140.477
Interest payable and similar expenses on notes payable (<i>ECP programme</i>)	830	3.900
Other financial expenses	6	0
TOTAL	134.821	144.377

NOTE 11 - TAXATION

The Company is subject to the common tax law applicable to Luxembourg commercial companies.

NOTE 12 - EMOLUMENTS, ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGERIAL AND SUPERVISORY BODIES

The Company granted Directors' fees of EUR 19.530 (2019: EUR 19.530) in total to the independent members of the Board of Directors for the services rendered during the year.

NOTE 13 - EMPLOYEES

The Company has employed 4 people during the financial year (2019: 4 people).

NOTE 14 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable and similar income are composed as follows:

	2020 EUR '000	2019 EUR '000
Interest income and similar income concerning affiliated undertakings (bonds in relation with ECP programme)	926	4.057
Interest income and similar income concerning affiliated undertakings (loans and bonds in relation with NIP programme)	135 465	142.235
Other financial income	1	17
TOTAL	136.392	146.309

NOTE 15 - FEES TO THE RÉVISEUR D'ENTREPRISES AGRÉÉ

The fees to the *Réviser d'Entreprises Agréé* accounted for the year ended December 31, 2020 are equal to the amount to EUR 33.170 inclusive of VAT (2019: EUR 33.613), all of which relate to the audit of the statutory annual accounts. The fees to the *Réviser d'Entreprises Agréé* are included within the other operating expenses in the Profit and Loss Account.

NOTE 16 - COVID-19 - IMPACT

Economic developments in 2020 were dominated by the Covid-19 crisis. The outbreak of the pandemic in the eurozone and the subsequent lockdowns resulted in a heavy decline in GDP in the second quarter of 2020. The economic impact of the Covid-19 crisis in the eurozone differs greatly among member states.

Luxembourg has been severely affected by the Covid-19. The authorities announced in March 2020 a nationwide lockdown, requesting individuals to stay at home and companies to implement homeworking whenever possible. Luxembourg went into deconfinement at the beginning of May 2020. Since then, the authorities have regularly adapted the measures and restrictions, depending on the evolution of the situation.

The Company reacted very early to the Covid-19 situation regarding, on the one hand the operational risks, especially for safeguarding the health of our staff and the business continuity and on the other hand the global financial risks.

On the closing date of the Company's accounts by the Board of Directors, the latter was not aware of any significant uncertainties which call into question the Company's ability to continue operating, therefore no impact linked to this crisis health is taken into account in the Company's annual accounts at December 31, 2020.

Covid-19 is not expected to have a significant impact on the entity and the ability to continue as a going concern. The Board of Directors closely follows the situation as it evolves.

NOTE 17 – SUBSEQUENT EVENTS

There have been no material subsequent events which would require disclosure in the Company's annual accounts as at December 31, 2020.