

**SECOND SUPPLEMENT DATED 23 APRIL 2019
TO THE BASE PROSPECTUS DATED 25 SEPTEMBER 2018**



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 25 September 2018 (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 and the First Supplement dated 26 February 2019. On 25 September 2018, the Belgian Financial Services and Markets Authority (the “**FSMA**”) approved the Base Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and Article 27 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market, as amended (the “**Prospectus Law**”). The FSMA approves this Second Supplement on 23 April 2019 as supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and Article 34 of the Prospectus Law. The FSMA approved the First Supplement on 26 February 2019.

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 and the Second Supplement are available on the internet site www.belfius.be 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 the Annual Accounts 2018 of Belfius Bank (available on <https://www.belfius.be>) and the Annual Accounts 2018 of Belfius Financing Company (<https://www.belfius-financingcompany.lu/FR/rapports-annuels/index.aspx>). Save as disclosed in this 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 34 paragraph 3 of the Prospectus Law, 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 within a time limit of 2 business days after the publication of this Second Supplement (the date of publication not included), meaning until 25 April 2019 (included). This right of revocation relates to the following Notes:

- Belfius Financing Company (LU) Step Up 05/2019-05/2024
- Belfius Financing Company (LU) Callable Interest 05/2029
- Belfius Financing Company (LU) Multicall Digiconomy 05/2029
- Belfius Financing Company (LU) Index Linked Demography 90 05/2023
- Belfius Financing Company (LU) Active Interest USD 05/2023
- Belfius Financing Company (LU) AUD 05/2019 – 05/2024
- Belfius Financing Company (LU) Memory Private Notes 06/2027

Results 2018 of Belfius Bank SA/NV and Belfius Financing Company , SA

The section 6. “Documents incorporated by reference” on page 48 is amended as follows:

The Base Prospectus should be read and construed in conjunction with the audited consolidated accounts of Belfius Bank (<https://www.belfius.be>) for the years ended 31 December 2016, 31 December 2017 and 31 December 2018, as well as for Belfius Bank the half-yearly report for the period ending 30 June 2018 (the “Half-Yearly Report 2018”) (<https://www.belfius.be>) 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 consolidated accounts of Belfius Financing Company (<https://www.belfius-financingcompany.lu/>) for the years ended 31 December 2017 and 31 December 2018, including the reports of the statutory auditors in respect thereof, as well as the semi-annual unaudited key financial figures for 30 June 2018 for Belfius Financing Company (Unaudited interim accounts as at 30 June 2018 available on <https://www.belfius-financingcompany.lu/FR/rapports-annuels/index.aspx>), and incorporated in Annex of this Base Prospectus).

This Base Prospectus should also be read and construed in conjunction with the disclosure document on “Alternative Performance Measures” for the year ended 31 December 2018 which is available on the website of the Issuer (<https://www.belfius.be>).

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) audit report on the consolidated accounts, (vii) notes to the consolidated financial statements, (viii) non-consolidated balance sheet, (ix) non-consolidated statement of income, (x) audit report on the non-consolidated accounts and (xi) alternative performance measures (APMs) of Belfius Bank as set out in the 2017 Annual Report of Belfius Bank; and
- (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) audit report on the consolidated accounts, and (vii) notes to the consolidated financial statements of Belfius Bank for the period ended 30 June 2018 as set out in the Half-Yearly Report 2018.
- (c) the accounting policies, notes and auditors’ reports of Belfius Financing Company for the financial years ended 31 December 2017 and 31 December 2018, and the references to the unaudited semi-annual report of 30 June 2018.

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

The consolidated balance sheet and consolidated statement of income of Belfius Financing Company for the year 2017 can be found in the section headed “7. Belfius Financing Company SA” of this Base Prospectus. The consolidated balance sheet and consolidated statement of income of Belfius Financing Company for the year 2018 can be found in the Annual Report 2018 of Belfius Financing Company.

Belfius Financing Company	Annual Report 2017 Audited	Annual Report 2018 Audited	Report on the Interim Accounts on 30 June 2018 unaudited
Balance Sheet	6	7	3
Statement of Income	8	9	5
Audit Report on the Accounts	1	1	NA
Notes to the Accounts	10	11	7

The consolidated balance sheet and consolidated statement of income of Belfius Bank can be found in the section headed “8. Belfius Bank SA/NV” of this Base Prospectus. The consolidated balance sheet and consolidated statement of income of Belfius Bank for the year 2018 can be found in the Annual Report 2018 of Belfius Bank, incorporated by reference. The audited consolidated financial statements of Belfius Bank for the financial year ending on 31 December 2018 remain subject to approval by the general meeting of shareholders of Belfius Bank scheduled to be held on 24 April 2019.

Belfius Bank SA/NV

	Annual Report 2016 (English version) audited	Annual Report 2017(English version) audited	Annual Report 2018 (English version) audited	Half-Yearly Report 2018 (English version) unaudited – condensed
Consolidated balance sheet.....	96	132	145	62
Consolidated statement of income.....	98	134	148	66
Consolidated statement of comprehensive income	99	135	150	68
Consolidated statement of change in equity.....	100	136	152	70
Consolidated cash flow statement	104	141	158	76
Audit report on the consolidated accounts	222	278	318	158
Notes to the consolidated financial statements	105	142	161	79
Non-consolidated balance sheet.....	226	288	330	N/A
Non-consolidated statement of income	229	291	333	N/A
	232		392 of French version	
Audit report on the non-consolidated accounts		294		N/A
Alternative performance measures accounts APM.....	236	296	N/A	N/A

Annex : Report Belfius Financing Company as of 31.12.2018

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

**ANNUAL ACCOUNTS AND REPORT OF
THE RÉVISEUR D'ENTREPRISES AGRÉÉ**

AS AT DECEMBER 31, 2018

20, rue de l'Industrie

L-8399 Windhof

R.C.S. Luxembourg: B 156767

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

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

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 December 31, 2018, 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 December 31, 2018, 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 July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under those Regulation, Law and standards are further described in the "Responsibilities of the *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 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 bonds or loans investments:

Risk description:

Short-term and long-term debt issuances are presented under Creditors in the annual accounts. These issuances are backed by loans and bonds recognised under Debtors and Investments in the annual accounts.

These transactions form the core activity of the Company and are the most material items of its financial position. In addition, these bonds and loans transactions contribute significantly to the results of the Company consisting in interest income they generate. Therefore, we have considered the completeness of the Creditors balance, the existence of the Debtors and Investments balances and the accuracy of the related interest income as key audit matters for the purpose of our audit.

Audit responses:

We have assessed the design and implementation of key control activities which the Company performs in relation to debt instrument issuance, bonds and loan investments, and related interest income. We have performed a test of operating effectiveness of these identified relevant controls.

We completed our audit procedures by:

- performing substantive testing on interest income related to Debtors and Investments.
- obtaining and analysing external confirmations from custodian banks in relation to the completeness and existence of respectively Creditors, Debtors and Investments as at December 31, 2018.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the annual accounts and our report of the *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 and Those Charged with Governance for the Annual Accounts

The Board of Directors is responsible for the preparation and fair presentation of these 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 a 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 the *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 July 23, 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 July 23, 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 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 General Meeting of the Shareholders on March 15, 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 9 years.

The management report 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 N° 537/2014, on the audit profession were not provided and that we remain independent of the Company in conducting the audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

Ludovic Bardon, *Réviseur d'Entreprises Agréé*
Partner

Luxembourg, March 19, 2019

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

BALANCE SHEET

As at December 31, 2018

(expressed in thousands of EUR)

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

BALANCE SHEET

As at December 31, 2018

(expressed in thousands of EUR)

<u>ASSETS</u>	Notes	2018 EUR	2017 EUR
SUBSCRIBED CAPITAL UNPAID	6	981	981
Subscribed capital not called		981	981
FORMATION EXPENSES	3	6	32
CURRENT ASSETS		9.485.870	9.868.679
Debtors	4	188.727	323.805
Amounts owed by affiliated undertakings			
<i>becoming due and payable within one year</i>		26.628	21.324
<i>becoming due and payable after more than one year</i>		162.099	302.481
Other investments	5	9.294.283	9.542.157
Cash at bank and in hand		2.860	2.717
PREPAYMENTS		5	5
<u>TOTAL (ASSETS)</u>		<u>9.486.862</u>	<u>9.869.697</u>
 <u>CAPITAL, RESERVES AND LIABILITIES</u>			
CAPITAL AND RESERVES	6	4.468	4.603
Subscribed capital		3.094	3.094
Reserves		772	665
Profit brought forward		37	229
Profit for the financial year		565	615
PROVISIONS		533	565
OTHER CREDITORS	7	9.481.742	9.864.433
Tax authorities		97	92
Social security authorities		13	9
Other creditors			
<i>becoming due and payable within one year</i>		1.229.743	2.090.086
<i>becoming due and payable after more than one year</i>		8.251.889	7.774.246
DEFERRED INCOME		119	96
<u>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</u>		<u>9.486.862</u>	<u>9.869.697</u>

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

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2018

(expressed in thousands of EUR)

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2018

(expressed in thousands of EUR)

	Notes	2018 EUR	2017 EUR
Staff costs	12	(296)	(266)
Wages and salaries		(254)	(225)
Social security costs		(29)	(28)
<i>Relating to pensions</i>		(19)	(18)
<i>Other social security costs</i>		(10)	(10)
Other staff costs		(13)	(13)
Value adjustments	3	(26)	(59)
In respect of formation expenses		(26)	(59)
Other operating expenses	8	(824)	(795)
Other interest receivable and similar income	13	158.594	184.193
Derived from affiliated undertakings		158.593	184.190
Other interest and similar income		1	3
Interest payable and similar expenses	9	(156.655)	(182.201)
Other interest and similar expenses		(156.655)	(182.201)
Tax on profit	10	(228)	(260)
PROFIT AFTER TAXATION		565	612
Other taxes	10	0	3
PROFIT FOR THE FINANCIAL YEAR		565	615

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, 2018

(expressed in thousands of EUR)

NOTES TO THE ACCOUNTS

as at December 31, 2018

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.

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

The Company is exempt from drawing 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.

NOTES TO THE ACCOUNTS

as at December 31, 2018

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.

As at December 31, 2018, the annual accounts are not presented under abridged format. In order to ensure adequate comparability across financial years, certain comparative figures in respect of the financial year ended December 31, 2017 have been reclassified.

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.

NOTES TO THE ACCOUNTS

as at December 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

Value adjustments are made in respect of debtors 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. Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

Creditors

NOTES TO THE ACCOUNTS

as at December 31, 2018

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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	93	6
	294	288	6

NOTES TO THE ACCOUNTS

as at December 31, 2018

NOTE 4 - DEBTORS

As at December 31, 2018, debtors consist mainly of loans to Belfius Bank S.A./N.V. which are repayable at nominal value. Reference is made to note 13 in relation to the interest income from debtors amounts owed by affiliated undertakings.

The carrying value of the debtors includes the carrying value of the loans and the related accrued interest, as follows:

	2018	2017
	EUR '000	EUR '000
Within one year	26.628	21.324
After one year and within five years	0	26.358
More than five years	162.099	276.123
TOTAL	188.727	323.805

The movements on debtors between December 31, 2017 and December 31, 2018 are attributable to loans reimbursements.

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

NOTES TO THE ACCOUNTS

as at December 31, 2018

NOTE 5 - INVESTMENTS

As at December 31, 2018, 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:

	2018	2017
	EUR '000	EUR '000
Within one year	1.203.483	2.069.388
After one year and within five years	5.333.966	5.132.116
More than five years	<u>2.756.834</u>	<u>2.340.653</u>
TOTAL	<u>9.294.283</u>	<u>9.542.157</u>

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

NOTES TO THE ACCOUNTS

as at December 31, 2018

NOTE 6 - 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, 2018	3.094	211	454	229	615
Allocation of prior year result	0	31	76	508	(615)
Dividend paid	0	0	0	(700)	0
Result for the year	0	0	0	0	565
Balance as at December 31, 2018	3.094	242	530	37	565

Subscribed capital and results brought forward

As at December 31, 2018, 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, 2018, 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, 2018

NOTE 7 - CREDITORS

As at December 31, 2018, 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 9 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 126.628 (2017: EUR 101.958).

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

	2018	2017
	EUR '000	EUR '000
Within one year	1.229.853	2.090.187
After one year and within five years	5.333.204	5.157.699
More than five years	2.918.685	2.616.547
TOTAL	9.481.742	9.864.433

The movements on debts occurred during the year ended December 31, 2018 are attributable to new issues made under the ECP and NIP programmes net of repayments during the year.

NOTES TO THE ACCOUNTS

as at December 31, 2018

NOTE 8 - OTHER OPERATING EXPENSES

Other operating expenses are composed as follows:

	2018	2017
	EUR '000	EUR '000
Occupancy fees	25	25
Service providers		
Accounting / administrative fees	393	356
Technology & system fees	158	126
Legal & tax fees	34	87
External statutory audit fees	32	33
Rating agencies fees	103	102
Professional associations costs	20	18
Training fees	2	2
Directors fees	20	20
Bank fees & assimilated	29	19
Other fees	8	7
TOTAL	824	795

NOTE 9 - INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses are composed as follows:

	2018	2017
	EUR '000	EUR '000
Interest payable and similar expenses on notes payable (<i>NIP programme</i>)	156.569	181.015
Interest payable and similar expenses on notes payable (<i>ECP programme</i>)	86	827
Other financial & interest charges	0	338
Foreign exchange losses	0	21
TOTAL	156.655	182.201

NOTES TO THE ACCOUNTS

as at December 31, 2018

NOTE 10 - TAXATION

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

NOTE 11 - EMOLUMENTS, ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGERIAL AND SUPERVISORY BODIES

The Company granted a Director's fee of EUR 19.530 (2017: EUR 19.530) in total to the independent and external members of the Board of Directors for the services rendered during the year.

NOTE 12 - EMPLOYEES

The Company has employed 4 people during the financial year (2017: 4 people).

NOTE 13 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable and similar income are composed as follows:

	2018	2017
	EUR '000	EUR '000
Interest income and similar income concerning affiliated undertakings <i>(bonds in relation with ECP programme)</i>	300	1.215
Interest income and similar income concerning affiliated undertakings <i>(loans and bonds in relation with NIP programme)</i>	158.293	182.962
Other financial income	1	16
TOTAL	158.594	184.193

NOTES TO THE ACCOUNTS

as at December 31, 2018

NOTE 14 - FEES TO THE RÉVISEUR D'ENTREPRISES AGRÉÉ

The fees to the Réviseur d'Entreprises Agréé accounted for the year ended 31 December 2018 are equal to the amount to EUR 32.450 inclusive of VAT (2017: EUR 32.500), all of which relate to the audit of the statutory annual accounts. The fees to the Réviseur d'Entreprises Agréé are included within the other operating expenses in the Profit and Loss Account.