

**SECOND SUPPLEMENT DATED 28 April 2020
TO THE BASE PROSPECTUS DATED 30 September 2019**



BELFIUS BANK SA/NV
(incorporated with limited liability in Belgium)

Euro 10,000,000,000

Belgian Mortgage Pandbrieven Programme

A handwritten signature in blue ink, appearing to read 'Dierckx', with a large, stylized flourish below it.

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with the Base Prospectus dated 30 September 2019 as amended and supplemented (the “**Base Prospectus**”) prepared in relation to the Programme and prepared in respect of the issuance of Mortgage Pandbrieven by the Issuer. On 30 September 2019 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 24 February 2020 as supplement to the Base Prospectus for the purposes of Article 23 of the Prospectus Regulation.

The FSMA approves this Second Supplement on 28 April 2020 as supplement to the Base Prospectus for the purposes of Article 23 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Second Supplement. The Issuer declares 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 its 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 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 by reference the Annual Accounts 2019 of Belfius Bank (available on <https://www.belfius.be>), information about the ratings of Belfius Bank and amendments related to the spread of Covid-19.

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.

1. Results 2019 of Belfius Bank SA/NV

The section 3. “Documents incorporated by reference” on page 35 is amended as follows:

This 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 2018 and 31 December 2019, including the reports of the statutory auditors in respect thereof;
- the disclosure documents on “Alternative Performance Measures” (the “APM”) for the years ended 31 December 2018 and 31 December 2019 which are available on the website of the Issuer (<https://www.belfius.be>).
- the half-yearly report ended 30 June 2019 (the “Half-Yearly Report 2019”) (<https://www.belfius.be>)
- The disclosure document on the APM for the half-year ended 30 June 2019

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save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by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

In respect of any issuance of a new Tranche increasing a Series issued under a previous base prospectus, the present Base Prospectus should be read and construed in conjunction with the conditions (set out in Section 8) of the relevant base prospectus, which are incorporated by reference in the present Base Prospectus.

Copies of all documents incorporated by reference in this Base Prospectus may be obtained without charge from the offices of the Issuer and on the website of the Issuer at www.belfius.be. Potential investors in the Mortgage Pandbrieven should be aware that any website referred to in this Base Prospectus does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

The tables below set out the relevant page/references for:

- (i) The 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 for the years ended 31 December 2018 and 31 December 2019; and
- (i) the 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 limited review report on the consolidated accounts and (vii) notes to the consolidated interim financial statements of Belfius Bank for the period ended 30 June 2019, as set out in the Half-Yearly Report 2019.

Information contained in the documents incorporated by reference other than information listed in the table below does not form part of the Base Prospectus. The non-incorporated parts of such documents

are not relevant for the investor or are covered elsewhere in the Base Prospectus. The consolidated balance sheet and consolidated statement of income of Belfius Bank for the years 2018 and 2019 can also be found in the section headed “*Description of the Issuer*” on pages 128 to 171 of this Base Prospectus.

Belfius Bank SA/NV

(refer to pages of the Report(s))

	Annual Report 2018 (English version) audited	Annual Report 2019 (English version) audited	Half-Yearly Report 2019 (English version) unaudited – condensed
Consolidated balance sheet	144	176	54
Consolidated statement of income	148	178	56
Consolidated statement of comprehensive income	150	180	58
Consolidated statement of change in equity	152	182	60
Consolidated cash flow statement	158	187	67
Audit report on the consolidated accounts	318	326	120
Notes to the consolidated financial statements	161	189	69
Non-consolidated balance sheet	330	336	N/A
Non-consolidated statement of income	333	339	N/A
Audit report on the non-consolidated accounts	336	341	N/A

2. . Ratings of Belfius Bank SA/NV

On March 30, 2019, Fitch modified the Outlook on Belfius from Stable to Negative.

The following text supersedes the description of the ratings mentioned on page 173 of the Base Prospectus dated 30 September 2019.

Ratings (page 173)

As of 30 March 2020, Belfius Bank had the following ratings:

	Stand-alone rating (*)	Long-term rating	Outlook	Short-term rating
Fitch	a-	A-	Negative	F2
Moody's	Baa1	A1	Stable	Prime-1
Standard and Poor's.....	a-	A-	Stable	A-2

(*) *Intrinsic creditworthiness*

3. Information related to the ongoing spread of COVID-19

In the subsection Risk related to the Financial Situation and Business Activity, the following paragraph is added at the beginning of the section:

Since the World Health Organization (WHO) declared the COVID-19 outbreak a public health emergency of international concern in January, 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. The outbreak is a major shock weighing on global financial markets and is now expected to heavily impact global economic growth. It is expected that there is significant disruption to economic activity, particularly a slowdown in production and a reduction in domestic and foreign demand, and may consequently have an impact on the financial position of Belfius (amongst others solvency, liquidity, insurance premiums, interest margin, fee income, fair value results as well as cost of risk).

The risks linked to the Covid 19 outbreak (Global criticality high) can have an influence on the risks described in the Base Prospectus.

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

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

To calculate the Expected Credit Losses (ECL) per IFRS 9 Belfius uses 4 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 corona virus pandemic has triggered a chain of events in the markets that has led to a massive sell-off across asset classes and a sharp increase in volatility affecting amongst others stock markets, credit spreads, interest rates and oil prices. This increased volatility currently observed in financial markets adversely affects the financial instruments at Fair Value, including those instruments at Fair Value through P&L. In the case of Belfius, the most important factor has been the negative evolution of the credit spread at Belfius Bank. The sensitivity table provided in page 301 of the annual report 2019 can be used to estimate the impact over the first quarter 2020. The rest of the impact arises from market movements in interest rates and other equity instruments.

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

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

Given that new government, regulatory and sector-related measures are being taken every day, it is impossible at this stage to make a reliable estimate of what the consequences will be for the global economy and, more specifically, for Belfius. We are closely monitoring the situation. We are adopting a cautious and conservative approach. Our Tier1 ratio and total capital ratio are solid and in terms of liquidity, Belfius is able to rely on solid reserves.

In the subsection 11.6 Post balance sheet events , the following paragraph is added:

Since the World Health Organization (WHO) declared the COVID-19 outbreak a public health emergency of international concern in January, 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. The outbreak is a major shock weighing on global financial markets and is now expected to heavily impact global economic growth.

In these unprecedented and difficult times, Belfius is therefore assuming its responsibilities and, as far as we are able, Belfius will go the extra mile to remain at the service of our retail as well as business, corporate, public and social profit customers. We 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.

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

On page 185, section 14 General information, the 5th paragraph is replaced by the following:

The negative economic effects of the ongoing spread of Covid-19 on Belfius can not be adequately determined or precisely quantified for the time being as a result, the negative impact on the financial position or the financial performance of Belfius is at this stage difficult to determine.