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Signed by:
Jacques Van de Velde
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Final

KBC Bank NV

(incorporated with limited liability in Belgium)

EUR 17,500,000,000
Residential Mortgage Covered Bonds Programme

Under this Residential Mortgage Covered Bonds Programme (the **Programme**), KBC Bank NV (the **Issuer**) may from time to time issue *Belgische pandbrieven/lettres de gage belges* (**Covered Bonds**) in accordance with Articles 79 to 84/1 and Annex III of the Belgian law of 25 April 2014 on the status and supervision of credit institutions (the **Banking Law**) and its implementing royal decrees and regulations. Notice of the aggregate nominal amount of the Covered Bonds, interest (if any) payable in respect of the Covered Bonds, the issue price of Covered Bonds and certain other information which is applicable to the relevant Covered Bonds will be set out in the final terms document (the **Final Terms**). The minimum specified denomination of each Covered Bond is EUR 100,000.

This document is a base prospectus (the **Base Prospectus**) for purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/E, as amended from time to time (the **Prospectus Regulation**). Certain information is not set out in this document but is incorporated by reference and forms part of this Base Prospectus as set out in Section "*Documents incorporated by reference"* on page 217. The Issuer may also publish additional information from time to time in a supplement to this Base Prospectus in the event of certain significant new factors, material mistakes or material inaccuracies (as set out in Section "*Supplements to this Base Prospectus*" on page 220). Prospective investors should read this document together with all information incorporated by reference herein, any supplements to this Base Prospectus published by the Issuer, and the applicable Final Terms. See Section "*Where more information can be found*" on page 221.

This Base Prospectus has been approved by the Belgian Financial Services and Markets Authority (**FSMA**), as competent authority under the Prospectus Regulation. The FSMA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Covered Bonds. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

Application has been made to Euronext Brussels (**Euronext Brussels**) for Covered Bonds issued under the Programme during the period of 12 months from the date of approval of the Base Prospectus to be listed on Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. Further details regarding the listing and admission to trading of each issue of Covered Bonds will be set out in the applicable Final Terms.

The Covered Bonds issued will be in registered form (**Registered Covered Bonds**) or in dematerialised form (**Dematerialised Covered Bonds**). Dematerialised Covered Bonds will be represented by a book-entry in the records of the clearing system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **Securities Settlement System**). Access to the Securities Settlement System is available through its direct and indirect participants, including Clearstream Banking Frankfurt, Euroclear Bank, Euroclear France, Euronext Securities Milan, IBERCLEAR, OeKB, SIX SIS, LuxCSD, Clearstream Banking Luxembourg, Euronext Securities Porto, and certain others.

The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or any U.S. state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (**Regulation S**) except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable U.S. state securities laws.

Any investment in the Covered Bonds does not have the status of a bank deposit and does not fall under any deposit protection scheme. The Covered Bonds are solely the corporate liabilities of the Issuer. The Covered Bonds and (re)payment of principal, interest or any other amount due in connection with the Covered Bonds are not guaranteed by any person, including KBC Group NV.

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Investing in the Covered Bonds involves certain risks and may not be a suitable investment for all investors. By subscribing to the Covered Bonds, investors lend money to the Issuer and risk losing all or part of their investment. Prospective investors should have regard to the factors described under the section headed "*Risk factors*" on pages 20 to 42 in this Base Prospectus, setting out certain risks specific to the Issuer or the Covered Bonds, and which are of material importance to take an informed investment decision. Covered Bonds issued as "Green Bonds" represent specific risks, including the risk of possible non-conformity of Green Bonds with investors' expectations and evolving regulation and the risks related to the absence of contractual obligations of the Issuer under the Covered Bonds in relation to the Green Bond Framework. See page 198 and following for a description of the risks factors specific to Green Bonds.

Certain Covered Bonds may qualify as Green Bonds. Such qualification only relates to the use of proceeds of such Covered Bonds. There are no restrictions on the "green" or "sustainability" nature of the Cover Assets allocated to Green Bonds.

The date of this Base Prospectus is 26 June 2025. This Base Prospectus is valid for a period of one year from its date of approval, *i.e.* until 26 June 2026. The obligation to publish a supplement to this Base Prospectus (as referred to above) no longer applies after the expiry of the validity period of this Base Prospectus, even if important new factors, material mistakes or material imprecisions are discovered.

Arranger and Dealer

KBC Bank

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GENERAL DESCRIPTION OF THE PROGRAMME

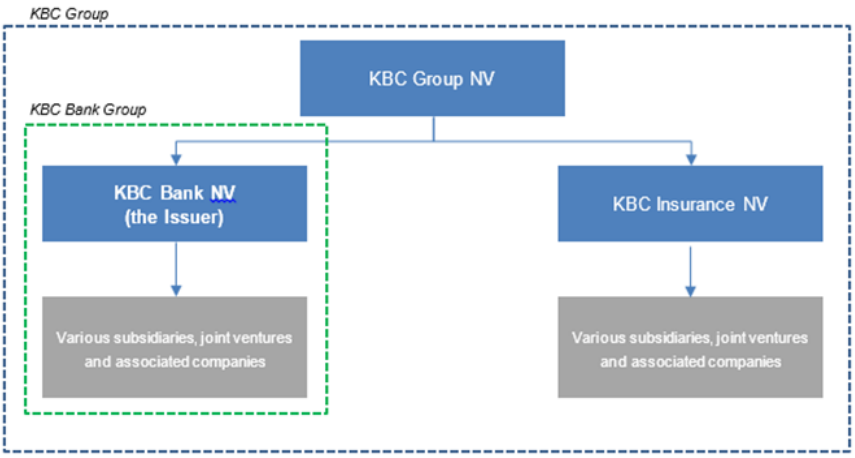
This section is the general description of the Programme referred to in Article 25(1)(b) of Commission Delegated Regulation (EU) No 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004. This section is qualified in its entirety by the rest of this Base Prospectus, including the Terms and Conditions of the Covered Bonds as set out on page 121 and following.

The Issuer and any relevant Dealer may agree that Covered Bonds shall be issued in a form other than that contemplated in the Terms and Conditions. If such Covered Bonds are intended to be admitted to trading on a regulated market within the European Economic Area (**EEA**) or offered to the public in an EEA Member State in circumstances which require the publication of a prospectus under the Prospectus Regulation, if appropriate, a supplement to the Base Prospectus will be published.

The Issuer may also from time to time issue Covered Bonds under the Programme which are subject to terms and conditions and/or final terms not contemplated by this Base Prospectus or under a different prospectus or without prospectus. The relevant (form of) terms and conditions will, in such circumstances, be set out in a schedule to the Programme Common Terms Agreement.

Information relating to the Issuer

Issuer:	KBC Bank NV
Issuer's legal entity identifier (LEI)	6B2PBRV1FCJDMR45RZ53
Description of the Issuer:	The Issuer is registered as a credit institution with the National Bank of Belgium. It is a wholly-owned subsidiary of KBC Group NV and is part of the KBC Group. The Issuer's strategy is fully embedded in the strategy of KBC Group NV, which includes offering a unique bank-insurance experience combining the Issuer's banking activities and the Issuer's sister company KBC Insurance NV's insurance activities. A simplified schematic of KBC Group's legal structure is provided below:



Principal activities of the Issuer:	KBC Bank Group is a multi-channel banking group that caters primarily to private persons, small and medium-sized enterprises (SMEs) and midcaps. Its geographic focus is on Europe. In its "home" (or "core") markets

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Belgium, Czech Republic, Slovak Republic, Hungary, Bulgaria and Ireland, KBC Bank Group has important and (in some cases) even leading positions (based on internal data). KBC Bank Group is also present in other countries where the primary focus is on supporting the corporate clients of the home markets.

KBC Bank Group's core business is retail and private bank-insurance (including asset management), although it is also active in providing services to corporations and market activities. Across most of its home markets, KBC Bank Group is active in a large number of products and activities, ranging from the plain vanilla deposit, credit, asset management and insurance businesses (via the Issuer's sister company, KBC Insurance NV) to specialised activities such as, but not exclusively, payment services, dealing room activities (money and debt market activities), brokerage and corporate finance, foreign trade finance, international cash management, leasing, etc.

(See section "Information relating to the Issuer" on page 56 and following for more detailed information.)

Other principal parties

Arranger	KBC Bank NV (the **Arranger**).
Dealer	KBC Bank NV (the **Dealer**).
Cover Pool Monitor	A reputable firm of independent auditors and accountants, not being the auditors of the Issuer for the time being, appointed by the Issuer in accordance with Article 16, §1 of Annex III to the Banking Law (as approved by the NBB, in its capacity as Supervisor, in accordance with the Belgian Covered Bonds Legislation) as an independent cover pool monitor (*portefeuillesurveillant/surveillant de portefeuille*), (a) to issue periodic reports to the NBB, in its capacity as Supervisor, on compliance by the Issuer with the legal and regulatory framework, and (b) to perform the Statutory Tests both as provided for in Belgian Covered Bonds Legislation and in accordance with the requirements of the NBB, in its capacity as Supervisor. On the date of this Base Prospectus, Ernst & Young Bedrijfsrevisoren BV ("**EY**") with offices at Kouterveldstraat 7B 001, Diegem 1831 (Belgium), and represented by Joeri Klaykens, Accredited Auditor is acting as the Cover Pool Monitor (the **Cover Pool Monitor**). For further information see "*Summary of the Belgian Covered Bonds Legislation*" below.
Cover Pool Administrator	In accordance with Article 8, §1 of Annex III to the Banking Law, the Supervisor may appoint a cover pool administrator (*portefeuillebeheerder/gestionnaire de portefeuille*) in certain circumstances including, (a) upon the adoption of a measure or sanction as provided for under Article 8, §1, 1° of Annex III to the Banking Law against the Issuer if, in the opinion of the Supervisor, such measure or sanction and/or the reasons for it may prejudice the rights of the Covered Bondholders and/or of any third parties who may have a claim on the Special Estate, (b) upon the initiation of winding-up proceedings (*liquidatieprocedure/procedure de liquidation*) against the Issuer or the Issuer being resolved, (c) upon the withdrawal of the General

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	Authorisation and/or Special Authorisation(s); or (d) in circumstances where the situation of the Issuer is such that it may seriously affect the interests of the Covered Bondholders (the **Cover Pool Administrator**). For further information see "*Summary of the Belgian Covered Bonds Legislation*" below.
Representative	Stichting KBC Residential Mortgage Covered Bonds Representative a foundation (*stichting*) incorporated under Dutch law on 16 November 2012 has been appointed as representative (*vertegenwoordiger/représentant*) of the Covered Bondholders in accordance with Article 14, §2 of Annex III to the Banking Law and Article 7:63 of the Belgian Code of Companies and Associations (the **Representative**). It has its registered office at Basisweg 10, 1043 AP Amsterdam, the Netherlands and is registered in the trade register (*handelsregister*) of the chamber of commerce (*kamer van koophandel*) in the Netherlands under number 56487592. Its managing director is Amsterdamsch Trustee's Kantoor B.V. For further information see "*Summary of the Belgian Covered Bonds Legislation*" below.
Derivative Contract Counterparties	The Issuer or, upon its appointment by the Supervisor, the Cover Pool Administrator may, from time to time during the Programme, enter into interest rate swap agreements, FX swap agreements and covered bonds swap agreements (each a **Derivative Contract** and together the **Derivative Contracts**) with one or more various swap providers (each a **Derivative Contract Counterparty**) for the purpose of, *inter alia*, protecting itself against certain risks (including, but not limited to, interest rate, liquidity and credit) related to the Cover Assets and/or the Covered Bonds.
Paying Agent	KBC Bank NV (the **Paying Agent**).
Listing Agent	KBC Bank NV (the **Listing Agent**).
Statutory Auditor(s)	On the date of this Base Prospectus, KPMG Bedrijfsrevisoren is the Statutory Auditor. KPMG Bedrijfsrevisoren is a member of the *Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*. The current appointment of KPMG Bedrijfsrevisoren is for the financial years 2025-2027].
Supervisor	The supervisor as defined in Article 3, 4° Banking Law in accordance with Council Regulation (EU) 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (the **SSM Regulation**).
Registrar (for Registered Covered Bonds)	KBC Bank NV, unless otherwise specified in the applicable Final Terms (the **Registrar**).
Rating Agencies	Moody's France S.A. (**Moody's**) and Fitch Ratings Ireland Limited and Fitch France S.A.S. (**Fitch**) have, for the time being, been appointed to provide ratings for those Series of Covered Bonds which are to be rated. The Issuer may appoint or terminate the appointment of any internationally recognised rating agencies to rate the Covered Bonds issued under the Programme (the **Rating Agencies**).

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Moody's and Fitch are established in the European Union and are registered under Regulation 1060/2009 on credit rating agencies (the **CRA Regulation**).

The Issuer has considered the appointment of one or more credit rating agencies (other than Moody's and Fitch) with no more than 10% of the total market share. However, whereas Moody's and Fitch have previously facilitated similar transactions in an efficient way, the Issuer is of the opinion that Moody's and Fitch will facilitate an efficient execution of the Covered Bonds documentation and will ensure accessing of the investor base in respect of the Covered Bonds in a prudent manner. Therefore, the Issuer has to date decided not to appoint one or more other credit rating agencies with no more than 10% of the total market share.

The parties listed above are appointed to act in respect of the Programme pursuant to the Programme Documents as further described in the Section "*Programme Documents*" on page 16. The relevant Programme Documents provide that other parties may be appointed from time to time and contain certain provisions in relation to the replacement of the above-mentioned parties.

Information relating to the Programme

Description	The Programme is a programme for the continuous issue of Covered Bonds in accordance with the Belgian Covered Bonds Legislation. The NBB, as Supervisor, has originally admitted the Programme to the list of authorised programmes for the issue of Belgian covered bonds on 6 November 2012. The Supervisor will regularly update such list upon notification by the Issuer with the Covered Bonds issued under the Programme and will indicate that the Covered Bonds constitute Belgian *pandbrieven/lettres de gage* under the Belgian Covered Bonds Legislation.
Programme Amount	Euro 17,500,000,000 outstanding at any time as described herein. Information on the total amount of Covered Bonds outstanding under the Programme is available on the website of the Supervisor at https://www.nbb.be/doc/cp/eng/psd/ems_covbd_kbc_nl.pdf?t=211014.[1] The Issuer has the right to increase the amount of the Programme from time to time and in each case subject to the delivery of certain conditions precedent to the satisfaction of the Dealer(s) (which may include the production of a new Base Prospectus or a supplement to the Base Prospectus by the Issuer).
Status of the Covered Bonds	The Covered Bonds will be issued as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) in accordance with the Belgian Covered Bonds Legislation and will constitute direct, unconditional and unsubordinated obligations of the Issuer. The Covered Bonds can also be referred to as "European covered bonds (premium)" (*Europese gedekte obligaties (premium)/obligation garantie européenne (de qualité supérieure)*) in accordance with the Belgian Covered Bonds Legislation. The Covered Bonds will rank *pari passu* and rateably without any

[1] This website and the information available thereon are not incorporated by reference and do not form part of this Base Prospectus. It has not been scrutinised or approved by the FSMA. Furthermore, the Issuer cannot guarantee that the information available on the Supervisor's website is accurate and up-to-date at any point in time.

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	preference or priority among themselves, irrespective of their Series and at least *pari passu* with all other present and future outstanding unsecured obligations of the Issuer, save for such obligations as may be preferred by law that are both mandatory and of general application. In addition, the Covered Bonds will be covered in accordance with the Belgian Covered Bonds Legislation by the Special Estate and the Covered Bondholders and the Other Cover Pool Creditors will have an exclusive recourse to the Special Estate. See also "*Summary of the Belgian Covered Bonds Legislation*" below.
Special Estate	Since the first issue of Covered Bonds by the Issuer, the estate of the Issuer is legally composed of a general estate and of the Special Estate. All Covered Bonds to be issued under the Programme will be covered by the same Special Estate. Data with respect to the Special Estate can be found in the most recent Investor Report (as defined below). **Special Estate** means the special estate (*bijzonder vermogen/patrimoine special*) of the Issuer constituted pursuant to Article 3 of Annex III to the Banking Law in relation to the Programme and in which the Cover Assets are segregated. See also "*Summary of the Belgian Covered Bonds Legislation*" *(Section 4. Special Estate and Protection in the Context of an Insolvency).*
Main Asset Class	The main asset class of the Special Estate will consist of Residential Mortgage Loans, their Related Security interests and all monies derived therefrom from time to time in accordance with the Belgian Covered Bonds Legislation. The Residential Mortgage Loans are primary assets (*primaire activa/actifs principaux*) as defined in Article 1/2, 9° of the Banking Law (**Primary Assets**). **Related Security** means all security interests and sureties, guarantees or privileges under whichever form that have been granted in relation to Cover Assets as well as rights under insurance policies and other contracts in relation to the Cover Assets or the management of the Special Estate. **Residential Mortgage Loans** means loans that are secured by a mortgage on residential real estate as defined in Article 2, 6° of the Covered Bonds Royal Decree and located in Belgium. See also "*Summary of the Belgian Covered Bonds Legislation*" *(Section 5. Assets to be Included in the Special Estate)* and *Cover Assets of this Base Prospectus* for further information on the composition of the Special Estate.
Register of Cover Assets	The Issuer will maintain a Register of Cover Assets in which both the issued Covered Bonds and the Cover Assets will be registered. **Cover Assets** means Residential Mortgage Loans that are registered in the Register of Cover Assets and all other assets that are included in the Special Estate pursuant to Article 3 of Annex III to the Banking Law and Article 3 of the Covered Bonds Royal Decree. **Register of Cover Assets** means the register of Cover Assets established by the Issuer for the Covered Bonds issued under the Programme in accordance with Article 15, §1, 1° of Annex III to the Banking Law.

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	See also "*Summary of the Belgian Covered Bonds Legislation*" *(Section 4.2. The Register of Cover Assets).*
Over-Collateralisation and Cover Tests	At the time of the issuance and as long as any Covered Bonds remain outstanding, the Issuer must, in respect of the Special Estate, meet the following cover tests as provided for in the Belgian Covered Bonds Legislation. The value of the Residential Mortgage Loans (and of the other Primary Assets) registered as Cover Assets in the Special Estate must represent at least 85% of the Series Principal Amount Outstanding of the Covered Bonds of all Series (the **85% Asset Coverage Test**). The value of the Cover Assets must provide an excess cover such that their value exceeds the Principal Amount Outstanding of the Covered Bonds. The value of the Cover Assets must represent at least 105% of the Series Principal Amount Outstanding of the Covered Bonds of all Series (the **Over-Collateralisation Test**). The value of the principal amount of the Cover Assets can only be taken into account for the purpose of the Over-Collateralisation Test if they are not otherwise taken into account to satisfy other obligations than the payment of principal on the Covered Bonds for the purpose of the Amortisation Test. The sum of interest, principal and all other revenues generated by the Cover Assets composing the Special Estate (including the Primary Assets and the other assets part of the Special Estate, i.e. **Secondary Assets**) must, for the duration of the Covered Bonds, provide a sufficient cover (i) for the payment of principal and interest on the Covered Bonds, (ii) for the obligations towards the Cover Pool Creditors and (iii) for the maintenance and the management of the Special Estate, including the costs for the reduction of the Special Estate (the **Amortisation Test**). To determine the extent to which the principal amount of the Cover Assets is included in the calculation referred to above, the eligibility criteria set out in Article 3 of the Covered Bonds Royal Decree shall be taken into account in accordance with Article 5, §3, first indent of the Covered Bonds Royal Decree. The interest generated by the Cover Assets are calculated, and the costs for maintenance and management, are calculated and estimated in accordance with Article 5, §3, second and third indent of the Covered Bonds Royal Decree. The 85% Asset Coverage Test, the Over-Collateralisation Test and the Amortisation Test are hereinafter jointly referred to as the **Cover Tests**. See also "*Summary of the Belgian Covered Bonds Legislation*" (Section 6. *Over-Collateralisation and Tests*).
Valuation Methodology	The value of the Cover Assets are determined in accordance with the valuation methodology set out in Article 6 of the Covered Bonds Royal Decree. In all circumstances, the value of an asset that is 90 days past due is zero. The value of an asset that is 30 days past due will only be taken into account for 50% of the value. See also "*Summary of the Belgian Covered Bonds Legislation*" (Section 7. *Cover Tests – Valuation Methodology*).
Liquidity Buffer	The Belgian Covered Bonds Legislation provides that the Special Estate must contain sufficient liquid and available Cover Assets to provide a liquidity buffer in order to enable the Issuer to cover the net liquidity outflows of the Programme at any time, as well as the maximum amount

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of the sum of the net liquidity outflows calculated over a six month period (the **Liquidity Test**). As an Extended Final Maturity Date applies to all Series of Covered Bonds, the principal amount of the Series Covered Bonds taken into account for the purpose of the calculation of the net liquidity outflow can be based on the maximum extended maturity as stipulated in the issue conditions.

The Cover Tests and the Liquidity Test are hereinafter jointly referred to as the **Statutory Tests**.

Liquid assets that can be used for the purpose of the Liquidity Test are, in accordance with Article 7 of the Covered Bonds Royal Decree:

(i) Cover Assets satisfying the requirements of assets of level 1 in accordance with Commission Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions, that are valued in accordance with this Commission Delegated Regulation and which are not issued by the Issuer;

(ii) Short term exposures and short term deposits as set out in Article 3 §1, 4°, a) of the Covered Bonds Royal Decree.

See also "*Summary of the Belgian Covered Bonds Legislation*".

Issuer Undertakings

The Issuer will undertake in favour of the Covered Bondholders and the Representative for so long as the Covered Bonds are outstanding, that it will ensure that:

(a) it will continuously comply with the obligations applicable to it under the Belgian Covered Bonds Legislation, including the Cover Tests;

(b) the Special Estate will at all times include sufficient liquid Cover Assets for the purposes of satisfying the Liquidity Test;

(c) the Special Estate will at all times include Cover Assets which, (i) are eligible as collateral for Eurosystem monetary policy purposes and intra-day credit operations by the Eurosystem, (ii) are subject to a daily mark-to-market and have a market value which, after applying the ECB haircut in accordance with the Guideline 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy (as amended, supplemented, replaced and/or restated from time to time), is higher than the amount of interest due and payable on the outstanding Covered Bonds within a period of three months, (iii) have a remaining maturity of more than three months, and (iv) are not debt issued by the Issuer or residential mortgage backed securities (RMBS) of which the underlying assets have been originated by the Issuer or by a group related entity.

Moody's Committed OC Undertaking

The Programme Common Terms Agreement provides that for so long as Moody's provides a rating to a Series of Covered Bonds issued under the Programme and unless otherwise agreed with Moody's, the Issuer will ensure that the aggregate outstanding nominal amount of the Cover Assets (other than the derivative contracts registered as Cover Assets) will be at least equal to the sum of one plus Moody's Committed Over-collateralisation (**OC**), multiplied by the Series Principal Amount

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Outstanding of the Covered Bonds of all Series (the **Moody's Committed OC Undertaking**)

where:

Moody's Committed OC means the lower of

(a) 28%, and

(b) the percentage figure that is necessary to ensure that the Covered Bonds achieve an Aaa rating by Moody's using Moody's expected loss methodology (regardless of the actual Moody's rating of the Covered Bonds at the time), as set out in the most recent Investor Report (as defined below).

Moody's Committed OC Undertaking only applies for so long as Moody's provides a rating to a Series of Covered Bonds under the Programme.

As a general rule, the Programme Common Terms Agreement may only be amended by a Programme Resolution. However, the Programme Common Terms Agreement (including the Moody's Committed OC Undertaking) may exceptionally be amended in writing between the Issuer and the Representative, without the consent or sanction of the Covered Bondholders if (i) the Representative is of the opinion that the proposed amendment is not materially prejudicial to the interests of any of the Covered Bondholders of any Series or, if (ii) such proposed amendment in the sole opinion of the Representative is of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of law, such as for example and without limitation the provisions implementing Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.

Risk Management Policies

The issuing credit institution must establish risk management policies and perform stress test on a quarterly basis in order to guarantee that the liquidity flows generated by the Cover Assets remain sufficient to satisfy the requirements of the Cover Tests and the Liquidity Test and/or, as the case may be, must dispose of other assets that can be sold or mobilised quickly in order to provide relevant coverage.

The stress tests do at least need to take into account:

- of sudden and unexpected interest rate or exchange rate movements;
- scenarios with different levels of percentages of early prepayment of cover assets;
- scenarios with material deterioration of the credit quality of the cover assets.

See also "*Summary of the Belgian Covered Bonds Legislation*" (Section 8. *Risk Management).*

Management of the Special Estate

Until the appointment of a Cover Pool Administrator by the Supervisor, the Issuer will manage the Special Estate.

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Upon designation, the Cover Pool Administrator will manage the Special Estate to the exclusion of the Issuer.

See also "*Summary of the Belgian Covered Bonds Legislation*" *(Section 11.2. Cover Pool Administrator).*

Changes to the Special Estate

Until the appointment of a Cover Pool Administrator by the Supervisor:

(a) the Issuer may allocate additional assets to the Special Estate, among other things, for the purposes of issuing further Series of Covered Bonds and/or for the purpose of complying with the Statutory Tests and/or maintaining the initial rating(s) assigned to the Covered Bonds; and

(b) the Issuer may remove or substitute existing Cover Assets from the Special Estate, provided that no breach of the Statutory Tests would occur as a result of such removal or substitution.

Final Maturity Date

The final maturity date for each Series (the **Final Maturity Date**) will be specified in the applicable Final Terms as agreed between the Issuer and the relevant Dealer(s). An Extended Final Maturity Date shall be specified in the applicable Final Terms as applying to each Series of Covered Bonds.

Extendable Final Maturity Structures

The applicable Final Terms shall specify that the Issuer's obligations under the relevant Covered Bonds to pay the Final Redemption Amount on the relevant Final Maturity Date shall be deferred past the Final Maturity Date until an extended final maturity date (as specified in the applicable Final Terms), which will be a date falling 1 year after the Final Maturity Date (such date the **Extended Final Maturity Date**).

Such deferral may be triggered in the following events:

(i) the deferral will occur automatically if the Issuer fails to pay any amount representing the amount due within 14 Business Days after the Final Maturity Date as set out in the Final Terms (the **Final Redemption Amount**) in respect of the relevant Series of Covered Bonds. In such case, any amount representing the Final Redemption Amount due and remaining unpaid within 14 Business Days after the Final Maturity Date may be paid by the Issuer on any Interest Payment Date thereafter up to (and including) the relevant Extended Final Maturity Date. Between the Final Maturity Date and the Extended Final Maturity Date, the Interest Payment Dates will occur monthly. Interest will continue to accrue and be payable on any unpaid amounts on each Interest Payment Date up to the Extended Final Maturity Date in accordance with Condition 4 (*Interest*) and the Issuer will make payments on each relevant Interest Payment Date and Extended Final Maturity Date. In accordance with Article 13/1 §2 of the Covered Bonds Royal Decree, the Issuer will inform the Supervisor of its action plan to ensure that the Final Redemption Amount due and remaining unpaid, will be paid by the Extended Final Maturity Date;

(ii) the deferral may be decided upon by the Cover Pool Administrator in the event a liquidation procedure is initiated against the Issuer or the Issuer is resolved.

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Events of Default	If any of the following events occurs and is continuing (each an **Event of Default**): (a) on the Extended Final Maturity Date in respect of any Series there is a failure to pay any amount of principal due on the Covered Bonds on such date and such default is not remedied within a period of 14 Business Days from the due date thereof; or (b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series occurs and such default is not remedied within a period of 14 Business Days from the due date thereof, then the Representative may and shall upon direction of the relevant majority of Covered Bondholders or if so directed by a Programme Resolution (subject to being indemnified and/or secured and/or prefunded to its satisfaction) serve a notice (a **Notice of Default**) on the Issuer (copied to the Cover Pool Monitor, the Supervisor, the Rating Agencies and, if appointed, the Cover Pool Administrator).
Cross-acceleration	Following the service of a Notice of Default, (a) no further Covered Bonds will be issued, and (b) the Covered Bond of each Series shall become immediately due and payable, together with any accrued interest.
Liquidation of the Special Estate	Upon the initiation of Winding-up Proceedings against the Issuer, the Cover Pool Administrator pursuant to Article 11, 6° or 7° of Annex III to the Banking Law: (a) may, in consultation with the Representative and subject to approval by the Supervisor, proceed with the liquidation of the Special Estate and with the early redemption of the Covered Bonds where the Cover Assets are not, or risk not being, sufficient to satisfy the obligations under the Covered Bonds; and (b) will, in consultation with the Representative and the Supervisor, proceed with the liquidation of the Special Estate and with the early redemption of the Covered Bonds when a majority decision has been taken to this effect at a meeting of Covered Bondholders at which at least two thirds of the Series Principal Amount Outstanding of the Covered Bonds of all Series is represented. See also "*Summary of the Belgian Covered Bonds Legislation*" *(Section 4. Special Estate and Protection in the Context of an Insolvency).*
Payments on the Covered Bonds	Payments on the Covered Bonds will be direct and unconditional obligations of the Issuer. Following delivery of a Notice of Default all funds deriving from the Cover Assets or otherwise received or recovered by the Special Estate (whether in the administration, liquidation of the Special Estate or otherwise) (other than amounts or financial instruments standing to the credit of the swap collateral account (if any)) shall be applied on any Business Day in accordance with the Post Event of Default Priority of Payments provided in Condition 9.1 (*Post Event of Default Priority of Payments*).

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	Following a decision by the Cover Pool Administrator to liquidate the Special Estate and early redeem the Covered Bonds of all Series pursuant to Article 11, 6° or 7° of Annex III to the Banking Law and as long as no Notice of Default has been delivered all funds deriving from the Cover Assets or otherwise received or recovered by the Special Estate (whether in the administration, liquidation of the Special Estate or otherwise) (other than amounts or financial instruments standing to the credit of the swap collateral account, if any) shall be applied on any Business Day in accordance with the Early Redemption Priority of Payments provided in Condition 9.2 (*Early Redemption Priority of Payments*).
Monitoring	The Cover Pool Monitor has been appointed, (a) to issue periodic reports to the Supervisor on compliance by the Issuer with the legal and regulatory framework, and (b) to perform the Statutory Tests both as provided for in Belgian Covered Bonds Legislation and in accordance with the requirements of the Supervisor. The Supervisor can also request that the Cover Pool Monitor performs other tasks and verifications. See also "*Summary of the Belgian Covered Bonds Legislation*" *(Section 11.1 Cover Pool Monitor).*
Sanctions in case of breach	The Belgian Covered Bonds Legislation provides that, if the Issuer is (and remains) unable to meet the requirements which apply to it as issuing credit institution of Belgian covered bonds, the Supervisor can impose a grace period during which this situation must be resolved. If the situation is not resolved after expiry of this grace period, the Supervisor can remove the Issuer from the list of Belgian covered bonds issuers and revoke the Issuer's licence to issue Belgian covered bonds. The Supervisor can also publish warnings/statements indicating that a credit institution has failed to comply with the Supervisor's requests to meet the requirements of the Belgian Covered Bonds Legislation within a specified grace period. In addition, as part of its general supervisory function under the Banking Law, the Supervisor can impose fines and administrative penalties. A removal of the Issuer from the list of Belgian covered bonds issuers will have no impact on the Covered Bonds already issued by the Issuer. See also "*Summary of the Belgian Covered Bonds Legislation*" *(Section 11.4 The Supervisor).*
Cross Default	None (other than cross-acceleration between Series of Covered Bonds).
Negative Pledge	None.
Belgian Covered Bonds Legislation	The Covered Bonds are issued pursuant to the Belgian Covered Bonds Legislation as amended and/or supplemented and/or restated from time to time. For further information on the Belgian Covered Bonds Legislation, see "*Summary of the Belgian Covered Bonds Legislation*" below.
Governing Law	The Covered Bonds are governed by and construed in accordance with Belgian law.

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Information on the Covered Bonds that may be issued under the Programme

Distribution	Covered Bonds may be distributed on a syndicated or non-syndicated basis and subject to the terms set out in the section *Subscription and Sale*.
Issuance in Series	Covered Bonds will be issued in Series, subject to the terms set out in the applicable Final Terms in respect of such Series. The Covered Bonds will either be fungible with an existing Series of Covered Bonds or have different terms from an existing Series of Covered Bonds (in which case they will constitute a new Series). The Issuer may issue further Covered Bonds without the prior consent of the Covered Bondholders pursuant to Condition 21 (*Further Issues*). As used herein, **Tranche** means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are, (a) expressed to be consolidated and form a single series, and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.
Final Terms	Final terms (the **Final Terms**) will be issued, executed by the Issuer and published in accordance with the terms and conditions set out herein under *Terms and Conditions of the Covered Bonds* (the **Conditions**) prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series only, complete the Conditions and the Base Prospectus and must be read in conjunction with the Conditions and the Base Prospectus. The terms and conditions applicable to any particular Series are the Conditions as completed by the applicable Final Terms.
Exempt Covered Bonds	The applicable Final Terms in relation to any Exempt Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the terms and conditions included in this Base Prospectus, replace or modify the terms and conditions included in this Base Prospectus for the purpose of such Exempt Covered Bonds. The Exempt Covered Bonds that may be issued under the Programme will be subject to the Programme Common Terms. The FSMA has not reviewed nor approved Exempt Covered Bonds nor any information relating to Exempt Covered Bonds.
Form of Covered Bonds	The Covered Bonds will be issued in such form as may be specified in the applicable Final Terms. The Covered Bonds can be issued, (a) in dematerialised form (**Dematerialised Covered Bonds**) in accordance with the Belgian Code of Companies and Associations via a book-entry system maintained in the records of the NBB as operator of the Securities Settlement System, or (b) in registered form (**Registered Covered Bonds**) in accordance with the Belgian of Companies and Associations. No physical documents of title will be issued in respect of Dematerialised Covered Bonds that will be delivered in the form of an inscription on a securities account. See "*Form of the Covered Bonds*".
Issue Dates	The date of issue of a Series or Tranche as specified in the applicable Final Terms (each, the **Issue Date** in relation to such Series or Tranche).

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Specified currency	Euro.
Denominations	In any case, the Covered Bonds will be in such denominations as may be specified in the applicable Final Terms with a minimum specified denomination of Euro 100,000.
Fixed Rate Covered Bonds	The applicable Final Terms may provide that certain Covered Bonds will bear interest at a fixed rate (**Fixed Rate Covered Bonds**), which will be payable on each Interest Payment Date and on the applicable redemption date and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
Floating Rate Covered Bonds	The applicable Final Terms may provide that certain Covered Bonds bear interest at a floating rate (**Floating Rate Covered Bonds**). Floating Rate Covered Bonds will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service. The margin (if any) relating to such floating rate (the **Margin**) will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Covered Bonds, as set out in the applicable Final Terms.
Other provisions in relation to Floating Rate Covered Bonds	Floating Rate Covered Bonds may also have a Maximum Rate of Interest, a Minimum Rate of Interest or both (as indicated in the applicable Final Terms). Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, in each case as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
Zero Coupon Covered Bonds	The applicable Final Terms may provide that certain Covered Bonds, bearing no interest (**Zero Coupon Covered Bonds**), may be offered and sold at a discount to their nominal amount.
Issue Price	Covered Bonds of each Series may be issued at par or at a premium or discount to par on a fully-paid basis (in each case, the **Issue Price** for such Series or Tranche) as specified in the applicable Final Terms in respect of such Series.
Interest Payment Dates	In relation to any Series of Covered Bonds, the Interest Payment Dates will be specified in the applicable Final Terms (if applicable).
Early Redemption	The Covered Bonds can be redeemed prior to their stated maturity for taxation reasons in the manner set out in Condition 6.2 (*Redemption for taxation reasons*) and in the event of an illegality in the manner set out in Condition 6.4 (*Illegality*).

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General information

Proceeds of the issue of Covered Bonds	The net proceeds from each issue of Covered Bonds will be used by the Issuer to fund its general corporate purposes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.
Taxation	All payments of principal, interest and other proceeds (if any) on the Covered Bonds will be made free and clear of any withholding or deduction for, or on account of, any taxes of Belgium, unless the Issuer or any intermediary that intervenes in the collection of interest and other proceeds on the Covered Bonds is required by law to make such a withholding or deduction. In the event that such withholding or deduction is required by law, the Issuer will, except in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted. In such case and subject to certain conditions, the Issuer may also redeem the Covered Bonds in accordance with Condition 6.2 (*Redemption for taxation reasons*).
Ratings	Each Series issued under the Programme may be assigned a rating by the Rating Agencies. The applicable Final Terms will specify details of the ratings assigned to the relevant Covered Bonds and whether or not the relevant credit rating agency is established in the European Union or the United Kingdom and registered under the CRA Regulation or the UK CRA Regulation, as applicable.
Listing and admission to trading	Application will be made to Euronext Brussels for the Covered Bonds issued under the Programme after the date hereof to be admitted to listing on the official list and trading on the regulated market of Euronext Brussels. Covered Bonds may be unlisted or may be listed or admitted to trading, as the case may be, on a regulated market (as defined in MiFID II), as may be agreed between the Issuer, the Representative of the Belgian Covered Bondholders and the relevant Dealer(s) in relation to each issue. The Final Terms relating to each Tranche of the Covered Bonds will state whether or not the Covered Bonds are to be listed and/or admitted to trading and, if so, on which regulated markets.
Delivery of Covered Bonds	Dematerialised Covered Bonds will be credited to the accounts held in the Securities Settlement System (and may be held through (sub-)participants to the Securities Settlement System in accounts held with those (sub-)participants). Registered Covered Bonds will be registered in a register maintained by the Issuer or by the Registrar in accordance with the Belgian Code of Companies and Associations.
Securities Settlement Systems	The Dematerialised Covered Bonds will be created, cleared and settled in the Securities Settlement System currently operated by the National Bank of Belgium. Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, Euroclear Bank, Euroclear France, Euronext Securities Milan, Euronext Securities Porto, LuxCSD, IBERCLEAR, OeKB, SIX SIS and any other national or international NBB investors central securities depository (**NBB investor (I)CSDs**) are participants in the Securities Settlement System through which Covered Bonds can be held. The clearing

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	of the Covered Bonds through the Securities Settlement System is subject to prior approval of the NBB.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Covered Bonds in the United States, the EEA, the United Kingdom, Japan, Hong Kong, Singapore, Korea and the People's Republic of China and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Covered Bonds. See "*Subscription and Sale*" below. The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

Programme Documents

Representative Appointment Agreement	Pursuant to the terms of the representative appointment agreement between the Issuer and the Representative initially dated 21 November 2012 (such representative appointment agreement as amended and/or supplemented and/or restated from time to time and most recently on 1 July 2025, the **Representative Appointment Agreement**), the Representative has been appointed to act as representative (*vertegenwoordiger/représentant*) of the Belgian Covered Bondholders in accordance with the Belgian Covered Bonds Legislation and Article 7:63 of the Belgian Code of Companies and Associations.
Programme Common Terms Agreement	Pursuant to terms of the programme common terms agreement entered into between the Issuer and the Representative initially dated 21 November 2012 (such programme common terms agreement as amended and/or supplemented and/or restated from time to time and most recently on 1 July 2025, the **Programme Common Terms Agreement**), all Covered Bonds issued under the Programme shall be subject to and have the benefit of certain programme common terms regardless of whether the Covered Bonds are issued under the Base Prospectus or not. These Programme Common Terms specify that all Covered Bondholders will be represented by the Representative and will benefit from an exclusive right of recourse against the same Special Estate. These Programme Common Terms include in substance the following provisions of the Conditions: Condition 2.1 (Residential Mortgage Covered Bonds), Condition 2.6 (Issuer undertaking), Condition 3 (Status of the Covered Bonds), Condition 8.1 (*Events of Default*) except for the definition of the events of default which shall be defined in the conditions of the relevant Covered Bonds, Condition 8.3 (Covered Bondholders' Waiver), Condition 9 *(*Priorities of payments), Condition 12 (Covered Bond provisions), Condition 13 (Meeting Rules of Covered Bondholders) and Condition 14 (*The Representative*). The Programme Common Terms Agreement and the Meeting Rules of Covered Bondholders provide that these programme common terms may only be amended in accordance with the provisions of the Programme Common Terms Agreement and of the Meeting Rules of Covered Bondholders. Besides the programme common terms, the Programme Common Terms Agreement also includes certain confirmations and undertakings of the Issuer. These confirmations and undertakings include the confirmation of the appointment of the Cover Pool Monitor and the Moody's Committed OC Undertaking (see "*Information relating to the Programme – Moody's Committed OC Undertaking"* (*page 9*)).

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Agency Agreement	Pursuant to terms of the agency agreement between the Issuer, KBC Bank NV as Paying Agent, Listing Agent and Registrar and the Representative initially dated 21 November 2012 (such agency agreement as amended and/or supplemented and/or restated from time to time and most recently on 1 July 2025, the **Agency Agreement**), KBC Bank NV will respectively act as Paying Agent, Listing Agent and Registrar in relation to the Covered Bonds. Pursuant to the Agency Agreement, the Paying Agent will undertake to ensure the payment of the sums due on the Covered Bonds and perform all other obligations and duties imposed on it by the Conditions and the Agency Agreement. In addition, the Paying Agent will perform the tasks described in the Clearing Services Agreement, which comprise, *inter alia*, providing the NBB as operator of the Securities Settlement System with information relating to the issue of the Covered Bonds, the Base Prospectus and other documents required by law. The Listing Agent will cause an application to be made to Euronext Brussels for the admission to trading of the Covered Bonds. The Registrar will maintain a register for the registration of Registered Covered Bonds. The Issuer has reserved the right at any time to vary or terminate the appointment of any Agent, Registrar, Calculation Agent and to appoint a successor Agent, Registrar or Calculation Agent and additional or successor agents provided, however, that: (a) the Issuer shall at all times maintain a Paying Agent and the Paying Agent will at all times be a participant in the Securities Settlement System; (b) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority; (c) so long as there are Registered Covered Bonds, the Issuer shall maintain a Registrar for the relevant Series of Registered Covered Bonds (which may be itself); and (d) in the case of Floating Rate Covered Bonds, the Issuer shall at all times maintain a Calculation Agent for the relevant Series of Covered Bonds (which may be itself).
Clearing Services Agreement	The Issuer, the Paying Agent and the NBB as operator of the Securities Settlement System entered into a clearing services agreement in relation to the clearing of the Covered Bonds on 4 November 2016 (the **Clearing Services Agreement**).
Derivative Contracts	The Issuer or, upon its appointment by the Supervisor, the Cover Pool Administrator may, from time to time during the Programme, enter into interest rate swap agreements, FX swap agreements and covered bonds swap agreements (each a **Derivative Contract** and together the **Derivative Contracts**) with one or more Derivative Contract Counterparties for the purpose of, *inter alia*, protecting itself against certain risks (including, but not limited to, interest rate, liquidity and credit) related to the Cover Assets and/or the Covered Bonds.

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Any Derivative Contract(s) will be included as part of the Special Estate at the Issuer's discretion.

The distribution or priority rules between the obligations towards Covered Bondholders and the Derivative Contract Counterparties are determined in Condition 9 (*Priorities of payments*).

Programme Documents

The Agency Agreement, the Representative Appointment Agreement, the Programme Common Terms Agreement, the Clearing Services Agreement, each of the Final Terms, any Derivative Contract and any additional document entered into in respect of the Covered Bonds and/or the Special Estate and designated as a Programme Document by the Issuer and the Representative (each a **Programme Document** and together the **Programme Documents**).

Pursuant to the terms of the Programme Documents, the Issuer shall be entitled to vary, approve or terminate the appointment of any agent or party thereto and/or appoint any additional or substitute agent or party (including (without limitation) in relation to the issue of any Covered Bond). The Issuer may also enter into any other agreement or document as it may from time to time deem necessary or appropriate in relation to the Programme or issuance of any Covered Bonds. Each of the Programme Documents shall further contain specific provisions for the amendment, supplement, replacement and/or restatement of such agreement and a reference to any Programme Document shall be deemed a reference to such agreement as the same may from time be time be amended, supplemented, replaced and/or restated.

Investor Report

In accordance with Article 15/1 of Annex III of the Banking Law and Article 12 of the Covered Bonds Royal Decree, the Issuer will publish an investor report (the **Investor Report**) on a monthly basis, which will contain information regarding the Covered Bonds and the Cover Assets in relation to the preceding monthly period, including *inter alia*:

- value of the Special Estate and the Covered Bonds;
- for each issuance, the ISIN of the Covered Bonds, currency, outstanding amount, issue date, Legal Maturity Date (or Extended Final Maturity Date, as the case may be), coupon characteristics and percentage;
- type of Cover Assets, geographical spread of security interests or, in case there are no security interest, of residence or seat of debtors;
- further details on the management of market risks, credit risks and liquidity risks;
- maturity matching between Cover Assets and Covered Bonds;
- the result of the Statutory Tests, including amounts of elements taken into account for the tests;
- composition of the Liquidity Buffer and description of the assets that make up the Liquidity Buffer;
- composition and details of the Cover Assets (including on the basis of currencies, interest rate characteristic, loan seasoning and residual maturity, outstanding amounts, early repayment, arears, LTV, loan-to-mortgage, type of real estate,…); percentage of receivables in arrears for more than 30 days (but not in default in accordance with Article 178 CRR).

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Such report will be available to the prospective investors in the Covered Bonds and to the Covered Bondholders at the offices of the Paying Agent, on Bloomberg and on the website at https://www.kbc.com/en/euro-10000000000-residential-mortgage-covered-bonds-programme-issued-kbc-bank-nv. This website and the information on Bloomberg are not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

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RISK FACTORS

Text in italics below is an introduction to the "Risk Factors" section.

An investment in the Covered Bonds involves a degree of risk. This section sets out risks which the Issuer believes are specific to it, the KBC Bank Group and/or the Covered Bonds and which are deemed to be material to investors for taking an informed investment decision in respect of the Covered Bonds. Any such factors may affect the Issuer's ability to fulfil its obligations under such Covered Bonds. All of these factors are contingencies which may or may not occur.

The Covered Bonds are being offered to professional investors only and are not suitable for retail investors.

Which risks are described in this section and how are they presented?

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Covered Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Covered Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on the information currently available to it or which it may not currently be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding the Covered Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision and consult with their own professional advisors (if they consider it necessary).

The risk factors are grouped in the following categories:

- *Risks relating to the (page 22 and following)*
- *Risks relating to the Covered Bonds (page 35 and following)*
- *Risks relating to the Special Estate and the Cover Assets (page 43 and following)*

In accordance with the requirements of the Prospectus Regulation, the most material risk factors within each category have been presented first according to an assessment made by the Issuer based on the probability of their occurrence and the expected magnitude of their potential negative impact. The exact order in which the remaining risk factors are presented is not necessarily indicative of the probability of those risks actually occurring or of the scope of any potential negative impact thereof.

Some risk factors can be grouped into more than one category. In that case, the Issuer has only mentioned that risk factor in the most appropriate category, and not in the other categories. Potential investors should consult the risk factors in all categories.

What is meant by risks that are "material" for taking an informed investment decision?

The Issuer has assessed the materiality of the risks factors based on the expected magnitude of their negative impact on the Issuer and/or the KBC Bank Group (including any relevant mitigation measures) and the probability of their occurrence. For the risks relating to the Issuer and the KBC Bank Group set out below, the result of this assessment is mentioned after the title of each risk factor, using a scale of "low", "medium" or "high".

What does a "low", "medium" or "high" expected materiality of a risk factor mean?

The qualitative scale of the materiality of a risk factor using the labels "low", "medium" or "high" is only intended to compare the expected magnitude of the negative impact of such risks on the Issuer

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and/or the Group (including any relevant mitigation measures) and the probability of their occurrence among the risk factors included in this section. These labels do not correspond to certain amounts or percentages and are based on an assessment in good faith by the Issuer.

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RISKS RELATING TO THE ISSUER

*As members of the KBC Bank Group are financial institutions, the KBC Bank Group is exposed to risks that are typical for the financial sector, including both financial risks (credit risk, market risk (trading and non-trading), liquidity risk and insurance risk) and non-financial risks (operational risk, compliance risk and reputational risk). Environmental, social and governance ("**ESG**") risks are also key risks related to the KBC Bank Group's business environment which manifest themselves through the aforementioned risk areas. Integrated risks can occur when these risks accumulate and potentially reinforce each other.*

In the context of these risks, the KBC Bank Group has put processes in place to manage them. While the KBC Bank Group seeks to identify, control and manage the risks to which it is subject and manage these in order to make optimal use of its available capital, the KBC Bank Group might still be exposed to unidentified, unanticipated or incorrectly quantified risks. For more background information on how these risks are managed, please refer to the section entitled "Risk management" in the section entitled "Information relating to the Issuer" and the KBC Bank Group's risk management approach set out on pages 34 to 60 of the Issuer's 2024 annual report, which is incorporated by reference into this Prospectus.

Risks relating to the business activities of KBC Bank Group and the markets in which it operates

1.1 Geopolitical risks (medium risk)

Geopolitical risks are a main concern for the global and European financial sector, including for KBC Bank Group. Events such as conflicts, trade wars and political instability can lead to market volatility and disruptions in trade, all of which can impact financial institutions' operations and profitability, including for the KBC Bank Group. For example, as several of the KBC Bank Group's core countries are in close proximity to Ukraine, the Russia-Ukraine conflict is of particular relevance for KBC Bank Group.

Although KBC Bank Group's net result at 31 December 2024 remained stable compared to 31 December 2023, and while its capital position and liquidity position remained strong, the current geopolitical and emerging risks may continue to impact the profitability and performance of KBC Bank Group:

- The prospect of trade disputes and geopolitical tensions impact the growth and inflation expectations for the financial year 2025. Due to the volatile nature of the global trade environment, whereby changes can materialise rapidly, KBC Bank Group's performance and its clients may be negatively impacted, causing (in)direct (negative) effects on KBC Bank Group. This may for example be due to increased financial instability, credit losses, fluctuations in asset values, increased cost of capital and operational disruptions.

- The geopolitical and emerging risks that have arisen in recent years continue to limit the ability of the KBC Bank Group's credit models to adequately reflect all the consequences of the resulting economic conditions. As such, post-model adjustments might need to be recognised in addition to the expected credit loss provisions produced by the models. In this respect, please also refer to the risk factor entitled "Model risk".

Additionally, geopolitical risks can also amplify existing risks. This may for example be the case for cyber risk (in this respect, please refer to the risk factor entitled "Information (security) risk") and compliance risk (in this respect, please refer to the risk factor entitled "Compliance risk"). KBC Bank Group may furthermore face challenges in adapting to rapid changes in the geopolitical landscape, which can result in increased market volatility and disruptions in trade (in this respect, please also refer to the risk factor entitled "Market risk in non-trading activities").

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More information and figures about events in relation to the Issuer can be found in the section entitled "Trend Information" in the section entitled "*Information relating to the Issuer*" on page 83 of this Base Prospectus.

Please also refer to pages 158 to 166 of the Issuer's 2024 Annual Report, which include the financial reporting the financial year 2024. The Issuer's 2024 Annual Report is incorporated by reference into this Base Prospectus as set out in the section entitled "*Documents incorporated by reference*" on page 217 and following of this Base Prospectus.

1.2 ESG risks (medium risk)

ESG risks encompass both current and prospective environmental, social and (corporate) governance risks which could impact KBC Bank Group, either directly or through its counterparties and exposures:

- Environmental risk: The risk arising from climate change (climate risk), nature and biodiversity loss (nature risk) or other environmental issues caused by human influences on nature, such as scarcity of fresh water, (air, water and soil) pollution and non-circularity.

  In particular, if not addressed, environmental change is expected to have devastating effects (such as extreme storms, floods, natural resource shortages, food and water crises, pandemics, mass migration and economic crises) with extremely high costs for society, including for the Group and its clients.

  The path towards a greener economy on the other hand remains highly dependent on technological breakthroughs, upcoming (EU) policies, regulation and actions by governments (e.g. stricter energy efficiency and nature restoration rules, incentives from the EU Green Deal). These can impact the stability and value of the Issuer's loan, investment and insurance portfolios. KBC Bank Group may in this context face challenges in aligning with new and evolving ESG regulations, particularly when there is a lack of coordination between different regulatory bodies. Any such misalignment can, for example, result in increased compliance costs and potential fines for non-compliance. In this respect, please also refer to the risk factor entitled "*Regulatory and supervisory supervision risk*". For more background information on how these risks are managed, please refer to the section entitled "*Risk management*" in the section entitled "*Information relating to the Issuer*".

- Social risk: The risk arising from changing expectations concerning relationships with employees, suppliers, clients and communities, such as labour and workforce considerations (labour standards, working conditions, diversity, health and safety), human rights and poverty, community impact and client relationship (client protection, e.g. against cybercrime, product responsibility and responsible marketing). Any such risk may in particular impact the operations of KBC Bank Group.

- Governance risk: The risk arising from changing expectations concerning corporate governance (corporate policies and codes of conduct, such as responsibilities of senior staff members, remuneration, internal controls and shareholder rights), anti-corruption and anti-bribery and transparency (e.g. in tax planning and external disclosures). In addition to compliance risk, this could also have an important reputational impact on KBC Bank Group where any such applicable rules are not correctly dealt with.

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In the Issuer's risk taxonomy, ESG risks are identified as key risks related to KBC Bank Group's business environment which manifest themselves through (all) other traditional risk areas, such as credit risk, market risk, technical insurance risk, operational risk and reputational risk.

1.3 Credit risk (medium risk)

Credit risk is the risk that a contracting party is unwilling or unable to meet an obligation it has committed to, such as paying interest and instalments on a loan or repaying the principal and interest on a bond at maturity. This risk can arise for various reasons, such as the party being insolvent, unwilling to pay or prevented from fulfilling the obligation due to events beyond its control. Credit risk thus encompasses default risk and country risk, but also includes migration risk, which is the risk for adverse changes in credit ratings. This risk can be exacerbated in light of the geopolitical environment. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

The main source of credit risk is the Issuer's loan portfolio. It includes all the loans and guarantees that the Issuer has granted to individuals, companies, governments and banks (including debt securities if they are issued by companies or banks). The aggregate outstanding amount of the KBC Bank Group's loan portfolio amounted to EUR 210,9 billion as at 31 December 2024. Most counterparties were private individuals (41% of outstanding portfolio) and corporates (51% of outstanding portfolio). Most counterparties are located in Belgium (55% of outstanding portfolio) or in the Czech Republic (19% of outstanding portfolio). Impaired loans (i.e., loans where it is unlikely that the full contractual principal and interest will be repaid/paid) constituted 2% of this portfolio.

A more detailed breakdown of the KBC Bank Group's loan portfolio, including information on impairments, can be found on pages 41 and following of the Issuer's 2024 annual report, which is incorporated by reference into this Prospectus. More information on impairments (including impairments linked to geopolitical & emerging risks and the Covid-19 pandemic) can be found in note 3.9 (*Impairment (income statement)*) of the consolidated financial statements of the Issuer's 2024 annual report, which is incorporated by reference into this Prospectus.

The mortgage portfolio of the KBC Bank Group amounts to EUR 77 billion as at 31 December 2024, which was 40.6% of the KBC Bank Group's loans and advances to customers being EUR 190 billion, EUR 190 billion as at 31 December 2024, excluding reverse repos.

The main sources of other credit risks in the banking activities of the Group are those stemming from (i) trading book securities, (ii) counterparty risks under derivatives and (iii) government securities.

More background information on credit risks relating to trading book securities, counterparty risk of derivatives and government securities can be found in the section entitled "*Other credit risks*" on page 46 of the Issuer's 2024 annual report, which is incorporated by reference into this Prospectus.

1.4 Operational risk (medium risk)

Operational risk refers to the potential for inadequate or failed internal processes, people and systems, or sudden external events, whether man-made or natural. Operational risk lies at the core of any organisation's day-to-day business operations, meaning it is directly linked to the building blocks of an organisation (people, processes, systems). In addition, it covers risks emerging from actions that specifically target the organisation's operations (such as intentional fire, external fraud or theft), as well as sudden non-financial damaging and/or destructive external events that affect the organisation in its day-to-day operations, such as a war or pandemic.

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While the Issuer endeavours to hedge such risks by implementing adequate systems, controls and processes tailored to its business, it is possible that these measures prove to be ineffective in relation to operational risks to which the Issuer is exposed.

The nature of the Issuer's business inherently generates operational risks, with the main operational risks of the Group including, without limitation, (i) information (security) risk, (ii) third-party and outsourcing risk, (iii) model risk and (iv) business continuity risk. Each of these operational risks is set out in further detail below.

Information (security) risk

Information security risk is the risk of loss, misuse, unauthorised disclosure, modification, inaccessibility and inaccuracy of information, as well as the risk of damage to information. It concerns all forms of information (spoken, written, printed, electronic or any other medium) and its processing and handling, regardless of whether they involve people, technology or relationships with trading partners, clients and third parties.

Information technology ("**IT**") risk pertains to the ineffective lifecycle management of information and related technology used by an organisation, ranging from the non-delivery of business and regulatory requirements, increased costs and IT complexity, to business operations endangered by unstable or unavailable IT services.

Since the beginning of 2022, the Issuer has been warned about an increased risk of disruptive cyber-attacks on critical infrastructure and institutions such as telecoms, energy, financial markets infrastructure, etc. Following the Russian invasion in Ukraine and the sanctions imposed on Russia, the European Union has faced an increased risk of disruptive, state sponsored cyber-attacks towards critical (financial markets) infrastructure and institutions. Additionally, some of the cyber-attacks (e.g. DDoS and password spraying) targeting KBC Bank Group entities can be attributed to pro-Russian hacker groups. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*". Until the date of this Prospectus, there has been relatively limited impact on the targeted KBC Bank Group entities and their clients.

The Issuer remains vigilant, with constant monitoring procedures in place. These consist of mature internal controls, strong detection mechanisms, swift management response and comprehensive insurance policies to mitigate possible financial impacts caused by potential cyberattacks. Furthermore, the Issuer combines cyber threat intelligence with findings from several cyber risk identification exercises (such as ethical hacks and targeted employee training and awareness programmes) to proactively identify, assess and understand cyber risks. This is aimed at enhancing the Issuer's ability to defend against and respond to cyber threats effectively, but may not fully protect it against all cyber-related risks.

The Issuer may, in particular, face challenges in keeping up with the rapidly evolving threat landscape, where new vulnerabilities and attack vectors continuously emerge. These could lead to significant financial losses and operational disruptions for the Issuer, for example due to outages of ATMs or its mobile banking application. Any such operational impact may also have an adverse impact on the Issuer's reputation and competitiveness.

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Third-party and outsourcing risk

Outsourcing risk or third-party risk pertains to the risk stemming from problems regarding the continuity, integrity and/or quality of the activities outsourced to or partnered with third parties (within or outside the KBC Bank Group), or from the equipment or staff made available by these third parties.

Contracting external service providers (with Microsoft currently being an important provider to the Issuer) as well as intra-group outsourcing, is an enabler for the Issuer's operational activities. Therefore, it is important for the Issuer to remain vigilant about outsourcing and third-party risks. Furthermore, in light of the digital transformation trends, a lot of attention is given to the mitigation of these increasing risks. While data breaches at the side of third-party providers (if any) are investigated, analysed and managed as per processes and procedures are in place to ensure that the Issuer continues to take adequate preventive and detective measures, any such measures might prove to be inadequate with a potential material adverse impact on the Issuer's operations. In this respect, please also refer to the risk factor entitled "*Information (security) risk*".

Model risk

Model risk is the potential loss which an institution may incur due to errors in the development, implementation or use of models, which can lead to incorrect decision-making based on these models.

The Issuer's data-driven strategy is underpinned by an expanding set of mathematical, statistical and numerical (AI) models to support decision-making, measure and manage risk, manage businesses and streamline processes. As the use of these models increases, so does the importance of recognising, understanding and mitigating risks related to the design, implementation or use of these models, in order to protect both the Issuer and its clients. Through the Issuer's model risk management standards, a framework is established that allows model risk to be identified, understood and managed, but it is possible that the Issuer will become subject to risks which are not (yet) covered by this framework.

In this context, geopolitical risks continue to limit the ability of the Issuer's credit models to adequately reflect all the consequences of the resulting economic conditions. As such, post-model adjustments might need to be recognised in addition to the expected credit loss provisions produced by the models. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

Business continuity risk (including crisis management)

Business continuity risk is the risk that business activities cannot be continued at an acceptable pre-defined level resulting from the inability of the organisation to plan for and respond to serious (business) disruptions, crises or disasters.

The Issuer has business continuity plans in place aimed at ensuring availability of critical services, including a crisis management plan. The latter includes both crisis prevention (i.e., reducing the probability of a crisis) and crisis response (i.e., effectively and efficiently handling of a crisis (if any)). Despite these continuity plans, uninterrupted business continuity cannot be assured and this may adversely impact the KBC Bank Group's operations.

Other operational risks

In addition to the Issuer's key operational risks described above, the Issuer is also exposed to the following operational risks which need to be followed-up and managed:

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- Process risk: The risk of adverse consequences caused by insufficient, badly designed or poorly implemented processes and processing controls and unintentional human errors or omissions during normal (transaction) processing.
- M&A and acquisition risk: M&A and acquisition risk refers to the possibility that acquired businesses or assets may not perform or be integrated as planned, which could result in difficulties achieving the anticipated synergies, cost savings and/or strategic benefits from the relevant acquisition. There may furthermore be an adverse impact related to the execution of such transactions. Any such risks may impact the Issuer's operations and financial position. The acquisition could furthermore have an impact on the Issuer's capital position.
- Fraud risk: The risk of deliberate abuse of procedures, systems, assets, products and/or services by one or more persons who intend to deceitfully or unlawfully benefit themselves or others. In this respect, please also refer to the risk factor entitled "*Compliance risk*".
- Legal risk: The risk of adverse consequences caused by a failure by the KBC Bank Group to comply with legal or regulatory requirements or contractual obligations towards clients or third parties or by a failure to properly manage the Group's disputes. In this respect, please also refer to the risk factor entitled "*Regulatory and supervisory supervision risk*".
- Personal and physical security risk: The risk of adverse consequences arising from damage to physical assets, from acts inconsistent with employment, health or safety laws or agreements, from personal injury claims or from diversity and discrimination events.

As operational resilience is a focus area of regulators, this is expected to have a significant impact in the years ahead, including on the Issuer's allocation of resources. The Digital Operational Resilience Act ("**DORA**") is an example in this respect. The ECB is engaging with institutions to ensure that operational disruptions are properly planned for, managed and mitigated. Within the Group, key building blocks (such as business continuity management, cybersecurity, incident management and outsourcing risk management) are in place, but overall further improvements are needed to fully comply with DORA.

For more background information, please refer to the section entitled "*Risk management*" in the section entitled "*Information relating to the Issuer*" and the KBC Bank Group's risk management approach set out on pages 34 to 60 of the Issuer's 2024 annual report, in particular the section entitled "*Operational risk*" starting on page 56, which is incorporated by reference into this Prospectus.

1.5 Compliance risk (medium risk)

Compliance risk is the risk that a judicial, administrative or regulatory sanction is imposed on an institution and/or its employees because of non-compliance with the laws and regulations pertaining to the compliance domains, resulting in loss of reputation and potential financial loss. This loss of reputation can also be the result of non-compliance with the applicable internal policy in this regard and with the institution's own values and codes of conduct in relation to the integrity of its activities.

Given this broad concept and in order to be consistent, the Issuer incorporates "conduct risk", as defined by the EBA, in compliance risk. Conduct risk encompasses the current or prospective risks of losses arising from inappropriate supply of financial services, including cases of wilful or negligent misconduct. Conduct risk covers many "hard" legal aspects of compliance, such as informing

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customers, providing the required transparency, avoiding misleading information and forced tying of products, selling the right product to the right customer and at the right time, avoiding conflicts of interest in doing business, manipulation of benchmarks, obstacles or unfair treatment of customers' complaints. Conduct risk also covers "softer" aspects, which are based specifically on behaviour and are linked to people, culture and mindset. By incorporating conduct risk management within the broader compliance risk framework, the Issuer is able to develop a more holistic approach to managing risks that encompasses both individual behaviours and adherence to legal and regulatory standards.

Within the Issuer's compliance risk management, several compliance risk domains have been identified as being potentially material to the Issuer and which need to be managed, including:

- Financial crime, which encompasses the prevention of anti-money laundering and terrorism financing (including embargoes), is a top priority for the Issuer.
- Data and consumer protection and AI, which is a highly-regulated area in which the Issuer aims to ensure future-proof, reliable and trustworthy bank activities for its clients.
- Investor and policyholder protection, which remains important as financial markets legislation are subject to constant changes and continuous expansion.
- Corporate governance and business ethics, which aims to ensure that financial institutions operate in a safe and sound manner, manage risks effectively and make decisions that are in the best interest of their stakeholders.

Within the context of the above, the Issuer is mainly exposed to the risk of fines or sanctions, which could be material, and a potential impact on its reputation in case of any adverse situations occurring within the Group. In this respect, please also refer to the risk factor entitled "*Regulatory and supervisory supervision risk*". Despite any efforts being made by the Issuer to manage such risks, the possibility of compliance breaches remains, which could significantly negatively impact the Issuer.

More background information can be found can be found in the section entitled "*Compliance risk*" on pages 58-59 of the Issuer's 2024 annual report, which is incorporated by reference into this Prospectus.

1.6 Market risk in non-trading activities (medium risk)

Market risk is the risk that the value and/or earnings of an instrument or portfolio will decrease because of adverse moments in financial markets. This includes changes in a variety of market parameters (for instance interest rates, equity prices and exchange rates), including the effects of changes in the volatility and the liquidity of these factors.

Market risk in the non-trading activities arises for the Group from both on- and off-balance sheet exposures in the investment and funding portfolios. Market risk can also arise from the Group's trading portfolios, as explained in the risk factor entitled "Market risk in trading activities".

In respect of its non-trading activities (comprising the Issuer's banking activities, life insurance activities and other business operations), the Issuer is primarily exposed to interest rate risk, credit spread risk and equity price risk.

Interest rate risk

Interest rate risk encompasses the potential for negative deviations from the expected value of a financial instrument or portfolio due to changes in the level or in the volatility of interest rates. The

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value of interest-bearing positions decreases when market interest rates increase and vice-versa, unless the position contains inherent protection against such decrease, such as a variable or floating interest rate mechanism.

Over the last years, the notion of interest rate risk for banking activities has been progressively extended to the impact of interest rate movements on the Net Interest Income ("**NII**") generation, which is an important driver supporting the sustainability of banking activities. The Issuer estimates that, as at 31 December 2024, an increase of market interest rates (through a parallel increase in the swap curve) by 10 basis points would have led to a decrease in the economic value of the Issuer's total portfolio by EUR 55 million.

The sensitivity of NII is measured in several ways. Through a sensitivity gap analysis in the banking book, the Issuer manages interest rate sensitivity of assets and liabilities across the different maturities. Generally, assets reprice over a longer term than liabilities, which means that the Issuer's NII benefits from a normal yield curve. The economic value of the Issuer is sensitive primarily to movements at the mid- to long-term end of the yield curve.

The Issuer also uses two other mechanisms to measure interest rate sensitivity and does this according to the Regulatory Technical Standards on IRRBB supervisory outlier tests ("**SOT**") of the European Banking Authority ("**EBA**"):

- In the SOT on Economic Value of Equity ("**EVE**") six different scenarios are applied to the banking books. These scenarios comprise material parallel shifts up and down, steepening or flattening of the swap curves or shifts in the short-term rates only. The worst-case scenario impact (the most negative impact on the economic value of equity) is set off against tier 1 capital. For the banking book at KBC Bank Group level, the SOT on EVE came to -5.20% of tier 1 capital as at 31 December 2024. This is well below the -15% threshold, which is monitored by the ECB and indicates that the overall interest rate sensitivity of the Issuer's balance sheet was, at that time, limited.

- The SOT on EVE is complemented by the SOT on NII which measures the impact of two scenarios (parallel up and parallel down) on NII, assuming a constant balance sheet. The impact of the worst-case scenario on NII is also set off against tier 1 capital. According to this measure, the interest rate sensitivity of KBC Bank Group came to -1.55% as at 31 December 2024, compared to the 5% outlier threshold used by the ECB, meaning that it was, at that time, limited as well.

Although the interest rate sensitivity of KBC Bank Group, as measured in accordance with the EBA standards referred to above, was below the thresholds monitored by the supervisory authority, interest rate fluctuations could still have a material adverse effect on the results and financial condition of KBC Bank Group and, hence, on the Issuer's ability to satisfy its obligations in relation to the Covered Bonds (including making payments of interest on the Covered Bonds).

Credit spread risk

Credit spread risk is the risk arising from changes in the volatility of credit and liquidity spreads among entities with the same level of creditworthiness, as to mitigate the overlap with credit risk.

Within KBC Bank Group, credit spread analysis is limited to bonds. In this respect, the Issuer applies a conservative approach and does not include spread sensitivity on the liability side. Bonds are purchased with a view to acquiring interest income and their selection is largely conservative and based on criteria

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such as credit risk rating, risk/return measures and liquidity characteristics. The value of the Issuer's positions will decrease when credit spread increases, and *vice-versa*. This is mainly relevant for the Issuer's portfolio of sovereign and non-sovereign bonds.

As at 31 December 2024, the total carrying value (i.e., the amount at which an asset or liability is recognised in the Group's accounts) of the Issuer's sovereign and non-sovereign bond portfolio combined was EUR 61.8 billion. The Issuer estimates that an increase in credit spread of 100 basis points across the entire curve would have led, as at 31 December 2024, to a negative economic impact of EUR 2.5 billion on the value of both portfolios combined.

Equity risk

Equity risk is the risk arising from changes in the level or in the volatility of equity prices. The main exposure to equity is within the Issuer's insurance business, of which a vast majority is held as an economic hedge for long-term liabilities of KBC Insurance NV. The total value of the Issuer's equity portfolio as at 31 December 2024 amounted to approximately EUR 0.24 billion excluding the instruments held for trading. As at that date, there was no material private equity exposure.

In the context of equity risk, an unexpected and prolonged downturn of the equity markets could lead to financial losses, reduced asset values and adverse impacts on the Issuer's profitability.

More information regarding market risks in non-trading activities generally, and interest rate risk, credit spread risk and equity risk specifically, can be found on pages 47 to 51 of the Issuer's 2024 annual report.

1.7 Regulatory and supervisory supervision risk (medium risk)

The Issuer's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates.

The regulatory and supervisory framework in the EU has become increasingly more expansive and complex and new regulations and supervisory requirements are introduced with ambitious timelines for implementation. While a sound regulatory framework, coupled with strong supervision, is necessary to ensure stability of the financial sector, extensive regulatory and supervisory intervention could impose high compliance costs on the Group, particularly staff costs associated with regulatory reporting.

Recent regulatory and legislative developments applicable to credit institutions, such as KBC Bank NV, may adversely impact the Group and its business, financial condition or results of operations. A non-exhaustive overview of certain important regulatory and legislative developments, such as changes to the prudential requirements for credit institutions, capital adequacy rules and recovery and resolution mechanisms, is set out in the sections entitled "Banking supervision and regulation" in the section entitled "*Information relating to the Issuer*" starting on page 56 of this Base Prospectus.

Moreover, there seems to have been an increase in the level of scrutiny and short implementation timelines applied by governments and regulators to enforce applicable regulations and calls to impose further charges on the financial services industry in recent years (e.g., additional levy of taxes). Such increased scrutiny or charges may require the Issuer to take additional measures which, in turn, may have adverse effects on its business, financial condition and results of operations. Implementation of related regulation and supervisory guidance can result in a crowding-out effect on the Issuer's business and strategic transformation and might drive up the capital and liquidity requirements. Not complying with this increasingly complex regulation is penalised with heavy supervisory measures (on capital) and possible fines, which are recently more often used by supervisory authorities. Regulatory

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complexity is further increased by a lack of alignment in regulatory rules and guidelines across different areas, such as banking versus insurance, banking supervision versus resolution supervision and national versus European regulations.

ESG risks furthermore remain high on the agenda of regulators, leading to a number of directives, guidelines and disclosure requirements. These have to be gradually implemented in the coming years with the main focus on strategy, governance, risk management and internal and external reporting. In this respect, please also refer to the risk factor entitled "ESG risks".

Within the above context, the Group is in particular exposed to risks for unforeseen regulatory changes and increased supervisory scrutiny, which could lead to a significant financial and operational impact. The Group may further face challenges in aligning its business and activities with new and evolving regulatory requirements. Any misalignment can, as indicated above, result in increased compliance costs, higher capital and liquidity requirements and potential fines for non-compliance. Additionally, the rapid implementation timelines for new regulations may strain the Group's resources, diverting attention from strategic initiatives and potentially impacting its competitive position.

1.8 Liquidity risk (low risk)

Liquidity risk is the risk that an institution does not have the means to meet its liabilities as they become due and consequently runs the risk of defaulting on its obligations unless it can attract new funds (which has a cost component) or can quickly liquidate assets in the market (thus running the risk of negatively influencing the market). This problem intensifies when an institution is faced with, for instance, sudden increased withdrawals of funds or when funding lines are cut.

CRD IV requires the KBC Bank Group to meet targets set for the Basel III liquidity related ratios, i.e., (i) the liquidity coverage ratio ("**LCR**"), which requires banks to hold sufficient unencumbered high quality liquid assets to withstand a 30-day stressed funding scenario and (ii) the net stable funding ratio ("**NSFR**"), which is calculated as the ratio of an institution's amount of available stable funding to its amount of required stable funding. As at 31 December 2024, the LCR amounted to 158% and the NSFR to 139%, both above the regulatory minimum of 100%.

Any failure of the KBC Bank Group to meet the liquidity ratios could result in administrative actions, sanctions or the KBC Bank Group ultimately being subject to any resolution action, all of which could have a material adverse impact on the KBC Bank Group.

Liquidity risk can be sub-divided in contingency liquidity risk, structural liquidity risk and day-to-day liquidity risk:

- Contingency liquidity risk is the risk that arises when the KBC Bank Group may not be able to attract additional funds or replace maturing liabilities under stressed market conditions. This risk, assessed based on liquidity stress tests, relates to changes to the liquidity buffer of the KBC Bank Group under extreme stressed scenarios.
- Structural liquidity risk is the risk that arises when the KBC Bank Group's long-term assets and liabilities might not be (re)financed in a timely manner or can only be refinanced at a higher-than-expected cost. Typical for banking operations, funding sources generally have a shorter maturity than the assets that are funded, leading to a negative net liquidity gap in the shorter time buckets and a positive net liquidity gap in the longer-term buckets. This creates liquidity risk if the KBC Bank Group would be unable to renew maturing short-term funding.

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- Day-to-day liquidity risk is the risk occurring when the KBC Bank Group's operational liquidity management cannot ensure that a sufficient buffer is available at all times to deal with extreme liquidity events where no wholesale funding can be rolled over.

The above risks are exacerbated by changes in central bank policies and the increased market volatility. In particular, an escalation of geopolitical risks could result in unpredictable changes in the market and unprecedented client behaviour, which may limit the KBC Bank Group's possibilities to meet its obligations. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

Please also refer to the section entitled "Liquidity risk" on pages 52 to 53 of the Issuer's 2024 annual report. The Issuer's 2024 annual report is incorporated by reference into this Base Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

1.9 Market risk in trading activities (low risk)

As explained in the risk factor entitled "*Market risk in non-trading activities*", market risk relates to changes in the level or in the volatility of prices in financial markets. Market risk in trading activities is the potential negative deviation from the expected value of a financial instrument (or portfolio of instruments) in the trading book due to changing interest rates, exchange rates, equity or commodity prices.

The KBC Bank Group is exposed to market risks via the trading activities of its dealing rooms in Belgium, the Czech Republic, Slovakia, Bulgaria and Hungary, as well as via a minor presence in the United Kingdom and Asia. Wherever possible and practical, the residual trading positions of the KBC Bank Group's foreign entities are systematically transferred to the Issuer, reflecting that the KBC Bank Group's trading activity is managed centrally both from a business and a risk management perspective. Consequently, as at the date of this Prospectus, the Issuer holds about 98% of the trading-book-related regulatory capital of the KBC Bank Group.

Market risk is predominantly measured using the Value-at-Risk (VaR) model which is defined as an estimate of the amount of economic value that might be lost on a given portfolio over a defined holding period, with a specified confidence level. The measurement only takes account of the market risk of the current portfolio and does not attempt to capture possible losses driven by counterparty or operational aspects. Therefore, the Issuer applies the Historical Value-at-Risk ("**HVaR**") method, which uses the actual market performance to simulate how the market could develop going forward (and thus does not rely on assumptions regarding the distribution of price fluctuations or correlations). The KBC Bank Group HVaR methodology for regulatory capital calculations is based on a 10-day holding period, with historical data going back 500 working days. As at 31 December 2024, the KBC Bank Group's HVaR estimate amounted to EUR 4 million, and varied between EUR 3 million and EUR 10 million during the financial year ending 31 December 2024.

Market risk in trading activities could be exacerbated by geopolitical turmoil which causes volatility in the financial markets. In this respect, please also refer to the risk factor entitled "*Geopolitical risks*".

1.10 Reputational risk (low risk)

Reputational risk is the risk arising from the loss of confidence by, or negative perception by, stakeholders (such as the Issuer's employees and representatives, clients and non-clients, shareholders, investors, financial analysts, rating agencies and the local community in which it operates) – be it

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accurate or not – that can adversely affect a company's ability to maintain existing, or establish new, business and client relationships, and to have continued access to sources of funding.

To manage reputational risk, the Issuer aims to achieve sustainable and profitable growth. It seeks to fulfil its role in society and the local economy in a way that benefits all stakeholders.

In this respect, credit ratings of the KBC Bank Group are important to maintain access to key markets and trading counterparties. Please also refer to the section entitled "*Credit ratings*" in the section entitled "*Information relating to the Issuer*" for an overview of the KBC Bank Group's current credit ratings.

Any failure by the KBC Bank Group to maintain its credit ratings could adversely impact the competitive position of the Group, making it more difficult to enter into hedging transactions, leading to increased borrowing costs or limiting access to the capital markets or the ability of the KBC Bank Group to engage in funding transactions. In connection with certain trading agreements, the KBC Bank Group might also be required, if its current ratings are not maintained, to provide additional collateral. As at the date of this Prospectus, no negative outlook is mentioned by any of the rating agencies, though these ratings cannot be guaranteed for the future.

Reputation is deemed a vital element for the performance of the KBC Bank Group. Notwithstanding pro-active risk management efforts, rapidly spreading misinformation or negative perceptions can still severely damage or even destroy the KBC Bank Group's reputation. New digital communication channels and social media amplify this risk.

1.11 Capital adequacy (low risk)

Group entities are currently subject to the capital requirements and capital adequacy ratios imposed by Directive (EU) No 2013/36 ("**CRD IV**") and Regulation (EU) No 575/2013 ("**CRR**") .

CRD IV imposes capital requirements that are in addition to the Common Equity Tier 1 capital requirement (5.48% as at 31 December 2024). This combined buffer requirement includes a capital conservation buffer (2.50% as at 31 December 2024), a buffer for other systemically important banks (1.50% as at 31 December 2024), a countercyclical buffer in times of credit growth (1.15% as at 31 December 2024) and a systemic risk buffer (0.13% as at 31 December 2024) set as an additional loss absorbency buffer to prevent and mitigate non-cyclical system or macro prudential risk not covered in CRD IV. These additional requirements have an impact on the Issuer and its operations, as it imposes higher capital requirements. In addition, capital requirements could increase if economic conditions or trends in the financial markets worsen and, as such, capital increases may be difficult to achieve or only be raised at high costs in the context of adverse market circumstances. With effect from 1 January 2025, the Basel III post-crisis reforms (commonly referred to as Basel IV) have been integrated into the CRR and apply to all European banking institutions. The Basel IV impact on Risk-Weighted Assets ("**RWA**") will be phased in.

The Issuer is also subject to Directive (EU) No 2014/59 (the "**BRRD**"), as implemented in the Belgian law of 25 April 2014 on the legal status and supervision of credit institutions, which imposes, among other things, minimum requirements for own funds and eligible liabilities ("**MREL**"). The Issuer needs to hold a certain amount of MREL instruments compared to its RWA (MREL in % of RWA) and vs. the size of their balance sheet (MREL in % of leverage ratio exposure). The nominal amount of required MREL instruments therefore fluctuates with changes in RWA or leverage ratio exposure, or because resolution authorities impose different MREL targets on institutions. Finally, MREL instruments have a maturity date. This all implies that the Issuer has a continuous need to issue MREL instruments in

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order to maintain compliance with regulatory requirements in this respect. In this respect, the Issuer will be subject to market volatility and demand.

The KBC Bank Group may also face impacts due to further regulations that have yet to be finalised or transposed into national law. For example, in December 2023, the EU countries approved the agreement on the implementation of the final parts of the Basel IV recommendations in the EU (the banking package). The newly introduced rules are aimed at ensuring that EU banks become more resilient to potential future economic shocks, while contributing to Europe's recovery from the Covid-19 pandemic and the transition to climate neutrality. The regulatory changes include a new standardised approach for calculating capital requirements for credit risk and a new capital requirement floor for banks using internal models, as well as new requirements for ESG risk assessments and enhanced supervision. The majority of the amendments made to the CRR as part of this process took effect on 1 January 2025 (with some other amendments being subject to transitional provisions). The amendments made to the CRD, on the other hand, will need to be transposed by Member States by 10 January 2026. The obligation to comply with, implement and monitor these new regulatory requirements may have an adverse impact on the Group. In this respect, please also refer to the risk factor entitled "*Regulatory and supervisory supervision risk*". The yearly reports of the Issuer outline the expected impacts of Basel IV on the Group.

Please also refer to the section entitled "*Banking supervision and regulation*" in the section entitled "*Information relating to the Issuer*" in which a broader overview of the capital adequacy requirements and their impact on the Covered Bonds is provided.

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RISKS RELATING TO THE COVERED BONDS

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

In some cases, the Issuer may redeem the Covered Bonds prior to their stated maturity:

- When the Issuer becomes obliged to pay additional amounts ("gross-up") on interest from the Covered Bonds (but not principal or any other amount) pursuant to Condition 7 (*Taxation*) or it can no longer deduct payments in respect of the Covered Bonds for Belgian income tax purposes (see Condition 6.2 (*Redemption for taxation reasons*)).

- Following a decision by the Cover Pool Administrator to early redeem the Covered Bonds of all Series pursuant to Article 11, 6° or 7° of Annex III to the Banking Law (see "*Summary of the Belgian Covered Bonds Legislation"*).

- In case of illegality (see Condition 6.4 (*Illegality*)).

In such case, there is no reimbursement for the difference between the interest that Covered Bondholders would have received if the Covered Bonds would remain outstanding until maturity, and the yield an investor may receive from reinvesting the redemption proceeds at that time until the original stated maturity of the Covered Bonds.

Additionally, during any period when the Issuer (or the Cover Pool Administrator, as the case may be) may elect or is perceived to be able to elect to redeem the Covered Bonds, the market value of the Covered Bonds generally will not rise substantially above the price at which they can be redeemed.

In case of redemption, the yields received may be lower than expected and the redeemed face amount of the Covered Bonds may be lower than the purchase price for the Covered Bonds paid by the Covered Bondholders. As a consequence, part of the capital invested by the Covered Bondholders may be lost, so that the Covered Bondholder in such case would not receive the total amount of their capital invested.

Extension risk

The obligation of the Issuer to pay the Final Redemption Amount of a Series of Covered Bonds on the Final Maturity Date of such Series can, in accordance with the grounds for extension foreseen in the Belgian Covered Bonds Regulations, be deferred upon the occurrence of the following events:

(i) the Issuer has failed to pay the Final Redemption Amount in full within fourteen (14) Business Days after the Final Maturity Date ("failure to pay"). In such case (subject as provided below) payment of the unpaid amount by the Issuer shall be deferred automatically until the Extended Final Maturity Date and in such case the Final Redemption Amount will not be considered to have been due and payable on the Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date shall be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the Extended Final Maturity Date to the extent the Issuer has available funds; and

(ii) the deferral, up to the Extended Final Maturity Date, may be decided upon by the Cover Pool Administrator in the event a liquidation procedure is initiated against the Issuer or the Issuer is resolved.

Furthermore, Article 13/1, §2 *in fine* of Annex III to the Banking Law foresees that an extension of a particular Series of Covered Bonds may not alter the sequence of Final Maturity Dates among different Series of Covered Bonds. In order to comply with this provisions, the Conditions provide that if at the Final Maturity Date of a Series of Covered Bonds (the **Non-Extended Covered Bonds**), the Issuer has

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failed to pay the Final Redemption Amount in respect of a Series of Covered Bonds which has been extended on an earlier date, payments of unpaid amounts in respect of the Non-Extended Covered Bonds shall also be deferred to the dates determined in accordance with Condition 6.1(b) and (c)(i)), in order to avoid that an extension of a particular Series of Covered Bonds would alter the sequence of Maturity Dates among different Series of Covered Bonds as required in accordance with Article 13/1, §2 *in fine* of Annex III to the Banking Law.

Accordingly, Covered Bondholders are exposed to an extension risk. In the case of an extension, the relevant Covered Bonds will bear interest on the outstanding principal amount of the Covered Bonds in accordance with the applicable Final Terms. Moreover, to the extent that the Issuer has sufficient funds available to redeem the relevant Series of Covered Bonds on any subsequent Interest Payment Date falling prior to the Extended Final Maturity Date, the Issuer shall be required to redeem the outstanding principal amount under such Covered Bonds on any such Interest Payment Date.

The extension of the maturity of the particular Series of the Covered Bonds from the Final Maturity Date to the Extended Final Maturity Date will not result in any right of the Covered Bondholders to accelerate payments or take action against the Special Estate and no payment will be payable to the Covered Bondholders in that event other than as set out in the Conditions and applicable Final Terms. The payment of the remaining unpaid amount shall become due and payable on the Extended Final Maturity Date.

Covered Bondholders should also note that an extension of the maturity of a particular Series of Covered Bonds will not automatically trigger an extension of the maturity date of any other Series. This would only be the case where the maturity date of such other Series falls prior to the Extended Final Maturity Date of the particular extended Series and such extended Series have not been redeemed in full on such Final Maturity Date.

There can be no assurance that an active secondary market for the Covered Bonds will develop or provide sufficient liquidity

Even though application is made for the Covered Bonds to be admitted to listing on Euronext Brussels, there can be no assurance that an active secondary market for any of the Covered Bonds will develop, or, if a secondary market does develop, that it will provide the holders of the Covered Bonds with liquidity or that any such liquidity will continue for the life of the Covered Bonds. If any person begins making a market for the Covered Bonds, it is under no obligation to continue to do so and may stop making a market at any time.

A secondary market for certain Series of Covered Bonds may not apply to other Series of Covered Bonds. Investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Covered Bonds. This may have a negative impact on the liquidity of the Covered Bonds and cause low trading volumes. In similar vein, liquidity is likely to be very limited if the relevant Covered Bonds are not listed or no listing is obtained. The degree of liquidity may have a severely adverse effect on the market value of Covered Bonds, especially if the investors would be willing to sell the Covered Bonds within a short timeframe. In such circumstances, it is more likely that the Covered Bondholders will have to sell the Covered Bonds at a discount in comparison with the nominal value of the Covered Bonds.

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Moreover, although pursuant to Condition 6.5. (*Purchases*) the Issuer can purchase Covered Bonds at any time, the Issuer is not obliged to do so. Purchases made by the Issuer could affect the liquidity of the secondary market of the Covered Bonds and thus the price and the conditions under which investors can negotiate these Covered Bonds on the secondary market.

Amendments to or discontinuance of EURIBOR or other reference rates may adversely affect the value and liquidity of and return on certain Covered Bonds

Amounts payable with respect to certain Covered Bonds may be determined by reference to reference rates such as the Euro Interbank Offered Rate (**EURIBOR**). Amendments to the way in which these reference rates are calculated or discontinuations of these reference rates can adversely affect the value of and return on those Covered Bonds.

Under the EU Benchmark Regulation (Regulation (EU) 2016/1011) (the **Benchmarks Regulation**), requirements apply with respect to the provision of a wide range of benchmarks (including EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmarks Regulation imposes, among other things, the following conditions (i) a requirement on benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) restrict certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

On 2 July 2019, the FSMA granted the requested authorisation to the European Money Markets Institute (formerly EURIBOR-EBF) (the **EMMI**), by application of the Benchmarks Regulation. The fact that EMMI has obtained authorisation as administrator of the EURIBOR, confirms that the requirements contained in the Benchmarks Regulation are met. Consequently, the benchmark may also be used since 1 January 2020.

Reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Condition 4.2(h) (*Benchmark replacement*) provides for certain fall-back arrangements in case a Benchmark Event occurs, such as the event that a relevant reference rate, such as EURIBOR becomes unavailable, for purposes of replacing the original reference rate and determining amendments to the calculation method for amounts payable. A brief summary of this mechanism is included in Section "*Amounts payable by reference to reference rates*" on page 194.

Any significant change to the setting or existence of EURIBOR or any other relevant interest rate benchmark could adversely affect the value and liquidity of and return on the Covered Bonds. Additionally, this could affect the ability of the Issuer to meet its obligations under the Covered Bonds.

The Covered Bondholders may be bound by amendments to the (Conditions of) the Covered Bonds to which they did not consent, which may result in less favorable terms of the Covered Bonds for all or certain Covered Bondholders

The Covered Bonds are subject to certain provisions allowing for the calling of meetings of Covered Bondholders to consider matters affecting their interests. See Condition 16 (*Meetings of Covered Bondholders*). These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Covered Bondholders may have diverging interests and amendments considered beneficial by the majority of Covered Bondholders could be considered detrimental by a minority of Covered Bondholders, who would still be bound by the decision of the relevant majority.

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Tax laws of the investors' jurisdiction and of the Issuer's jurisdiction may have an impact on the value and liquidity of and return on the Covered Bonds

Withholding tax, income and capital gains tax, tax on stock exchange transactions, financial transaction taxes and other present and future taxes imposed in the investor's or the Issuer's jurisdiction may affect the value and liquidity of and return on the Covered Bonds. See "*Taxation of the Covered Bonds in Belgium*" on page 202 for an overview of certain Belgian tax aspects relating to the Covered Bonds (but note that such overview is not exhaustive and does not cover tax aspects of any other jurisdiction).

In certain cases, the Issuer will pay additional ("gross-up") amounts to certain Covered Bondholders to cover certain taxes in relation to the Covered Bonds, as set out in Condition 7 (*Taxation*) on page 149. However, the scope of this "gross-up" obligation is limited to certain taxes and certain categories of persons. Additionally, the Issuer will be entitled to redeem the Covered Bonds prior to maturity in case of such gross-up obligation.

The Issuer is not restricted from issuing additional debt, and any future debt may be on better terms than the Covered Bonds

There is no restriction on the amount of debt that the Issuer may issue, which may rank senior to or *pari passu* with the Covered Bonds and which may benefit from security or guarantees that are not offered to the holders of Covered Bonds. The Issuer may also create additional Special Estates, and the holders of Covered Bonds will not have recourse to such additional Special Estates.

The issue of any such additional debt or securities may reduce the amount recoverable by Covered Bondholders upon the Issuer's bankruptcy or resolution (without prejudice to the Special Estate and the Over-collateralisation Test).

Reliance on the procedures of the Agent, Securities Settlement System and its (sub)-participants

The Dematerialised Covered Bonds will be represented exclusively by book entries in the records of the Securities Settlement System. Access to the Securities Settlement System is available through its Securities Settlement System participants whose membership extends to securities such as the Covered Bonds. Anyone who is not a participant in the Securities Settlement System that wants to invest in the Dematerialised Covered Bonds, must do so through a participant or a sub-participant. The Issuer relies on the Agent to enter the Dematerialised Covered Bonds in the Securities Settlement System and to receive and make payments in respect of the Dematerialised Covered Bonds through the Securities Settlement System.

Failures in the procedures or operations of the Securities Settlement System and/or its (sub)-participants can affect (timely) completion of transactions relating to the Covered Bonds.

Additionally, holders of Dematerialised Covered Bonds may be subject to insolvency risks of the Securities Settlement System and/or its (sub)-participants through which it holds Dematerialised Covered Bonds.

Risks related to Covered Bonds which are issued as Green Bonds.

The Issuer may issue Covered Bonds where the use of proceeds is specified in the relevant Final Terms to be for the financing and/or refinancing of specified "green" or "sustainability" projects of the Group, in accordance with certain prescribed eligibility criteria (any Covered Bonds whose specified use of proceeds is "green" or "sustainable" are referred to as "Green Bonds").

If the fact that the use of proceeds of the Covered Bonds is linked to the contribution of "green", "sustainable" and/or other equivalently-labelled objectives is a factor in a prospective investor’s decision to invest in the Covered Bonds, it should in particular consider the disclosure in the sections entitled "*Green Bonds*" and "*Use of Proceeds*" and consult with its legal or other advisers before making an investment in the Covered Bonds.

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Risks related to the possible non-conformity of Green Bonds with investors' expectations and evolving regulation

Investors should take into account that there is currently no clear single definition (legal, regulatory or otherwise) of, nor international market consensus as to what constitutes, a "green", "sustainable" or other equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or to receive such other equivalent label. The European Union has already adopted various sustainability related rules and regulations, including the Regulation (EU) 2020/852 (**EU Taxonomy**) which establishes the criteria to determine whether an economic activity qualifies as environmentally sustainable. The EU Taxonomy is still being further developed and has and will be further supplemented by various delegated acts.

Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the **EU Green Bond Regulation**) lays down uniform requirements for issuers of bonds who wish to use the (voluntary) designation 'European Green Bond' or 'EuGB' (the **European Green Bond Standard**) for their bonds that are made available to investors in the EU and provides for optional disclosure templates for bonds marketed as environmentally sustainable and for sustainability-linked bonds in the EU. Any Green Bonds issued under this Programme will not be aligned with the European Green Bond Standard and are intended to comply with the criteria and processes set out in the Issuer's Green Bond Framework only. It is not clear at this stage what impact the European Green Bond Standard will have on investor demand for, and pricing of, green use of proceeds bonds (such as the Green Bonds) that do not meet such standard. Demand for, and the liquidity of, the Green Bonds could be reduced as a consequence of not meeting the European Green Bond Standard.

No assurance is or can be given to investors by the Issuer or any other person that any projects or uses the subject of, or related to, any Green Bonds will meet or continue to meet on an ongoing basis any or all investor expectations or evolving regulation regarding "green", "sustainable" or similar labels (including the EU Taxonomy or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any specified "green" or "sustainability" projects of the Group.

Any failure to meet or continue to meet investor expectations or evolving regulation regarding "green", "sustainable", or similar labels (i) may have a negative impact on the market value and the liquidity of the Covered Bonds, (ii) may have consequences for certain investors, in particular investors with portfolio mandates to invest in green and/or sustainable assets who may decide to sell the Covered Bonds, and/or (iii) may result in the delisting of the Covered Bonds from any dedicated "green" or "sustainable" or other equivalently labelled segment of any stock exchange or securities market. Consequently, Covered Bondholders may lose all or part of their investment in the Covered Bonds.

The Issuer intends to provide regular information on the use of proceeds of the Green Bonds and to publish related allocation and/or impact reports on its website (https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html)[2], but it is under no obligation to do so as there may be circumstances in which it may not be possible for the Issuer to do so (for example when the required data would not be available). Any reports made available on the Issuer's website do not form part of, and are not incorporated by reference into, this Base Prospectus.

In addition, the Issuer may change the Green Bond Framework and/or the selection criteria used therein to select Green Bond Eligible Assets (as defined in the section "*Green Bonds*"), at any time. In particular, the Issuer's Green Bond Framework and related definitions may or may not be modified to

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adapt to any update that may be made to the ICMA Green Bond Principles, which have been taken into account by the Issuer when developing the Green Bond Framework. Furthermore, the Issuer intends to gradually further align its Green Bond Framework with emerging good practices, such as criteria of the European Green Bond Standard and other relevant forthcoming regulatory requirements and guidelines.

Prospective investors should have regard to the eligible green bond projects and eligibility criteria described in the relevant Final Terms (if applicable). Each potential purchaser of any Series of Green Bonds should determine for itself the relevance of the information contained in this Base Prospectus and in the relevant Final Terms regarding the use of proceeds and its purchase of any Green Bonds be based upon such investigation and due diligence as it deems necessary. For the avoidance of doubt, this is without prejudice to the responsibility of the Issuer for the information contained in this Base Prospectus and the Final Terms for each Tranche of Covered Bonds, as set out in the section "*Responsibility Statement*".

Risks related to the Second Party Opinions

At the Issuer's request, Sustainalytics, an independent global environmental, social and governance rating and consultancy agency, issued a second party opinion on 22 November 2023 with respect to the Issuer's Green Bond Framework (the **Second Party Opinion**), to confirm alignment of these frameworks with the International Capital Market Association (**ICMA**) Green Bond Principles (version 2021). The Second Party Opinion did not consider or confirm alignment with any other guidelines, regulations or principles such as the EU Taxonomy or the EU Green Bond Regulation. The Second Party Opinion is made available on the Issuer's website (https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html)[3], but is not (and shall not be deemed to be) incorporated by reference and does not form part of this Base Prospectus and may amended, supplemented or replaced from time to time. The Second Party Opinion is for information purposes only and Sustainalytics, the Issuer and the Dealers are not liable for the substance of the Second Party Opinion and/or any loss arising from the use of the Second Party Opinion and/or the information provided therein. Any such opinion or certification is not, and should not be deemed to be, a recommendation by the Issuer, the Dealers or any other person to acquire any Covered Bonds. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued.

The Second Party Opinion may not reflect the potential impact of all risks related to the structure of the relevant Series of Green Bonds, their marketability, trading price or liquidity or any other factors that may affect the price or value of the Green Bonds.

The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market, respectively the social bond market. There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green" or "sustainable", and therefore the "green" or "sustainable" projects to be specified in the relevant Final Terms may not meet all investors' expectations regarding sustainability performance or continue to meet the relevant eligibility criteria. Although applicable green projects are expected to be selected in accordance with the categories recognised by the ICMA Green Bond Principles (version 2021), and each category is expected to be developed in accordance with applicable legislation and standards, it is still possible that adverse environmental impacts will occur during the design, construction, commissioning and/or operation of any such green or sustainable projects. This may adversely affect the trading price of the Covered Bonds.

Prospective investors must determine for themselves the relevance, suitability and reliability for any purpose whatsoever of the Second Party Opinion, the Green Bond Framework, or any other opinion, report or certification (whether or not solicited by the Issuer) and/or the information contained therein and/or the provider of any opinion, report or certification for the purpose of any investment in the Covered Bonds. The Issuer does not represent that any such opinion, report or certification is relevant,

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suitable and reliable or whether any Green Bond Eligible Asset fulfils any environmental and/or other criteria. Currently, the providers of such opinions and certifications (including the provider of the Second Party Opinion) are not subject to any specific regulatory or other regime or oversight. In particular, investors should note that any such opinion, report or certification may not reflect any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. In case there are any shortcomings in the opinions and certifications of any such provider, such provider would typically be exclusively liable towards the relevant party having solicited the opinion or certification and not vis-à-vis the Covered Bondholders. Opinions and certifications may also contain specific (limitation of) liability statements. The limitation of liability statements applicable to the Second Party Opinion is set out on page 28 thereof. The Covered Bondholders also have no recourse against the Issuer or the Dealers for the contents of any such opinion or certification. For the avoidance of doubt, this is without prejudice to the responsibility of the Issuer for the information contained in this Base Prospectus and the Final Terms for each Tranche of Covered Bonds, as set out in the section "*Responsibility Statement*".

Potential investors should be aware that if any Second Party Opinion would ever be withdrawn, such withdrawal (i) may have a negative impact on the market value and the liquidity of the Covered Bonds, (ii) may have consequences for certain investors, in particular investors with portfolio mandates to invest in green and/or sustainable assets who may decide to sell the Covered Bonds, and/or (iii) may result in the delisting of the Covered Bonds from any dedicated "green" or "sustainable" or other equivalently labelled segment of any stock exchange or securities market.

Risks related to the absence of contractual obligations of the Issuer under the Covered Bonds in relation to the Green Bond Framework

While an amount equal or equivalent to the net proceeds of any Green Bonds is to be applied in the manner described under the section "*Use of Proceeds*", the application of such amount to finance and/or refinance, in whole or in part, new or existing Green Bond Eligible Assets, may not be capable of being implemented in such manner, or such proceeds may not be totally or partially disbursed as planned, for reasons that are outside the Issuer's control or which the Issuer is not able to anticipate as at the date of this Base Prospectus. Green Bonds or the assets they finance or refinance may not have the results or outcome originally expected or anticipated by the Issuer. The Issuer intends to provide regular information on the use of proceeds of its Green Bonds and to publish related impact and/or allocation reports on its website (https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html)[4], but it is under no obligation to do so e.g. if the required data would not be available. The Issuer aims to fully allocate the net proceeds of Green Bonds on their Issue Date to Green Bond Eligible Assets, but the Issuer's Green Bond Framework provides that in case insufficient Green Bond Eligible Assets are available, the Issuer will hold the balance of proceeds not allocated to Green Bond Eligible Assets within the treasury of the Group, invested in money market products, cash and/or cash equivalent instruments. However, the Issuer's Green Bond Framework does not require that full allocation takes place within a certain period of time, and the Issuer assumes no obligation in this respect.

In addition, the Issuer may change its Green Bond Framework and/or the selection criteria it uses to select Green Bond Eligible Assets thereunder at any time. In particular, these frameworks and definitions may or may not be modified to adapt to any update that may be made to the ICMA Green Bond Principles on which the Issuer's Green Bond Framework is based, or to align with the EU Taxonomy and/or EU Green Bond Regulation. Furthermore, the Issuer intends to gradually further align its Green Bond Framework with emerging good practices, such as criteria of the European Green Bond Standard and other relevant forthcoming regulatory requirements and guidelines.

[4] This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

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Consequently, although the Issuer may agree at the Issue Date of any Green Bonds to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of Green Bond Eligible Assets (as specified in the Final Terms), it would not (a) be an event of default under the Green Bonds; (b) give rise to any other contractual claim or right (including, for the avoidance of doubt, the right to accelerate the Covered Bonds) of a holder of such Green Bonds against the Issuer; (c) lead to an obligation of the Issuer to redeem such Covered Bonds or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Covered Bonds, or (d) impact the regulatory treatment of the Green Bonds if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in the relevant Final Terms; (ii) the Second Party Opinion were to be withdrawn; (iii) there would be a lack of Green Bond Eligible Assets in which the Issuer may invest; (iv) the Issuer were to fail any sustainability target or objective it may have committed to in respect of any Covered Bonds and/or (v) the performance of the Green Bonds is not as expected. Also, the existence of a potential mismatch between the duration of the Green Bond Eligible Assets and the duration of the instrument will not lead to an obligation for the Issuer to redeem the relevant Covered Bonds, be a factor in determining whether or not to exercise any optional redemption rights, and/or give a right to the Covered Bondholders to request the early redemption or acceleration of the relevant Covered Bonds or give rise to any claim against the Issuer. For the avoidance of doubt, payments of principal and interest (as the case may be) on the relevant Green Bonds shall not depend on the performance of the relevant project nor have any preferred right against such assets. Any failure to use the net proceeds of any Series of Green Bonds in connection with green or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets.

Reliance on other third parties

The Issuer has entered into agreements with a number of third parties which have agreed to perform services for the Special Estate. Such counterparties may not perform their obligations under the Programme Documents, which may result in the Special Estate not being able to meet its obligations under the Covered Bonds. This may have an adverse effect on a Covered Bondholder's investment in the Covered Bonds and its return.

None of the third parties will have any obligation itself to advance payments that Borrowers fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by such third parties.

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RISKS RELATING TO THE SPECIAL ESTATE AND THE COVER ASSETS

Liquidity risk

Mismatches are possible in the rates of interest received on the Cover Assets and the rates of interest payable under the Covered Bonds. Moreover, the maturity and amortisation profile of the Cover Assets may not match the repayment profile and maturities of the Covered Bonds.

In accordance with the Covered Bonds Legislation, the Cover Pool must contain sufficient liquid and available Cover Assets forming the Liquidity Buffer in order to enable the Issuer to cover at all times the net liquidity outflows of the Programme at any time, and the maximum amount of the sum of the net liquidity outflows calculated over a six month period. This is tested on a monthly basis.

Under the Conditions, the Issuer has undertaken that it will ensure that the Special Estate will at all times include liquid bonds which can satisfy such Liquidity Buffer (see Condition 2.6 (*Issuer undertaking*)). Furthermore, the Issuer (or the Cover Pool Administrator, as the case may be) may also enter into Derivative Contracts to alleviate mismatches that could give rise to liquidity risk (as described in Section "Risk Management").

The issuing credit institution must establish risk management policies and perform stress tests on a quarterly basis in order to guarantee that the liquidity flows generated by the Cover Assets remain sufficient to satisfy the requirements of the Cover Tests and the Liquidity Test and/or, as the case may be, must dispose of other assets that can be sold or mobilised quickly in order to provide relevant coverage.

The stress tests do at least need to take into account:

- of sudden and unexpected interest rate or exchange rate movements;
- scenarios with different levels of percentages of early prepayment of cover assets;
- scenarios with material deterioration of the credit quality of the cover assets.

See Section "*Liquidity Test*" on page 102.

However, it is possible that these arrangements will not fully mitigate these mismatches, for example because of unexpected developments of market interest rates, differences in the actual versus expected timing and amount of payments of principal and interest on the Cover Assets or non-compliance by or insolvency of the relevant Derivative Contract Counterparties.

On the date of this Base Prospectus, no such Derivative Contracts have been entered into by the Issuer in connection with this Programme.

If such mismatches arise, the Issuer is still bound to make payments on the Covered Bonds in accordance with the applicable Conditions, but such payments may need to be made out of the Issuer's General Estate instead of the Special Estate. Payments out of the Issuer's General Estate are subject to the Issuer's normal insolvency, recovery and resolution regime and ranking of creditors in the General Estate. Such claim of a Covered Bondholder in the General Estate would rank *pari passu* with all other present and future outstanding unsecured obligations of the Issuer, save for such obligations as may be preferred by law that are both mandatory and of general application (which includes the deposit holders which, in accordance with Article 389 of the Banking Law, have a lien on all movable assets in the General Estate). As this will cause the risk in relation to the Covered Bonds to increase, the value of the Covered Bonds may be adversely impacted.

Reliance on Derivative Contract Counterparties

To provide a hedge against interest rate and/or other risks in respect of amounts received by the Issuer under the Residential Mortgage Loans forming part of the Cover Assets and under the other Cover

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Assets and the interest rate and amounts payable by the Issuer under the Covered Bonds, the Issuer may enter into a Derivative Contract with a Derivative Contract Counterparty in respect of a Series of Covered Bonds under a Derivative Contract. The Issuer has not yet entered into such an agreement.

If the Issuer fails to make timely payments of amounts due under any Derivative Contract, then it will have defaulted under that Derivative Contract. A Derivative Contract Counterparty is only obliged to make payments to the Issuer as long as the Issuer complies with its payment obligations under the relevant Derivative Contract. If the Derivative Contract Counterparty is not obliged to make payments or if it defaults on its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Issuer on the due date for payment under the relevant Derivative Contract, the Issuer will be exposed to any changes in the relevant rates of interest. Unless a replacement swap is timely entered into (which may be at worse terms than the original Derivative Contract or which may not be possible at all), the Issuer may have insufficient funds to make payments to the Covered Bondholders under the Covered Bonds.

If a Derivative Contract terminates, then the Issuer may be obliged to make a termination payment to the relevant Derivative Contract Counterparty. There can be no assurance for the Covered Bondholders that the Issuer will have sufficient funds available to make a termination payment under the relevant Derivative Contract, nor can there be any assurance that the Issuer will be able to enter into a replacement swap agreement or, if one is entered into, that the credit rating of the replacement swap counterparty will be sufficiently high to prevent a downgrade of the then current ratings of the Covered Bonds by a Rating Agency. Any such downgrade may have an adverse effect on the value of the Covered Bonds.

Following a decision of the Cover Pool Administrator to early redeem the Covered Bonds pursuant to Article 11, 6° and 7° of Annex III to the Banking Law or following the delivery of a Notice of Default and with respect to funds derived from the Special Estate, if the Issuer is obliged to pay a termination payment under any Derivative Contract that constitutes a Cover Asset, such termination payment will rank *pari passu* with amounts due on the Covered Bonds, except where default by, or downgrade of, the relevant Derivative Contract Counterparty has caused the relevant swap agreement to terminate (See Condition 9 (*Priorities of payments*)). Additionally, Covered Bondholders should consider reinvestment risk in light of other investments available at that time.

Factors that may affect the realisable value of the Special Estate or of the Cover Assets

The Covered Bondholders together with the Other Cover Pool Creditors will have an exclusive recourse against the Special Estate. Since the economic value of the Cover Assets may increase or decrease, the value of the Special Estate may decrease over time (for example, if there is a general decline in property values or default of Borrowers). Without prejudice to the obligation to comply with the Statutory Tests, the Issuer makes no representation, warranty or guarantee that the value of the Cover Assets will remain at the same level as it was on the date of the origination of the related Residential Mortgage Loan or at any other time.

The realisable value of Residential Mortgage Loans registered as Cover Assets and their Related Security comprising part of the Special Estate may be reduced by:

- default by borrowers (each borrower being, in respect of a Residential Mortgage Loan, the person specified as such in the relevant mortgage terms together with each person (if any) who assumes from time to time an obligation to repay such Loan (the **Borrower**)) in payment of amounts due on their Residential Mortgage Loan;
- changes to the lending criteria of the Issuer; and
- decline in real estate values.

Each of these factors is considered in more detail below and may have an adverse effect on the Issuer's business, financial condition or obligations under the Covered Bonds.

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Default by Borrowers in paying amounts due on their Residential Mortgage Loan

Borrowers may default on their obligations under the Residential Mortgage Loans. Defaults may occur for a variety of reasons. The Residential Mortgage Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Residential Mortgage Loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies or collective debt arrangements of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Residential Mortgage Loans. In addition, the ability of a Borrower to sell a property given as security for a Residential Mortgage Loan at a price sufficient to repay the amounts outstanding under that Residential Mortgage Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time.

At the date of this Base Prospectus, the Issuer does not see an impact of the current market situation (oil crisis, inflation, …) on its Residential Mortgage Loan portfolio, neither in terms of additional arrears, nor in the number of postponements that are requested. However, the Issuer does expect that if the current high price levels for energy and other consumer goods continue, a number of Borrowers will run into problems. The Issuer further expects Borrowers with a lower income and/or limited financial reserves to be impacted proportionally more. The Issuer has already made provisions in this respect and is also closely monitoring the evolution and, where necessary, adapting its acceptance policy for new Residential Mortgage Loans.

As Residential Mortgage Loans with respect to properties located in Belgium constitute the main asset category of the Special Estate, the above factors (or a combination of them) may have an adverse effect on mortgage borrowers' ability to meet their obligations under the Residential Mortgage Loans. This could reduce the value of the Residential Mortgage Loans and, ultimately, could result in losses for the Covered Bondholders if the Special Estate is liquidated. The ultimate effect of this could be to delay or reduce the payments on the Covered Bonds.

In addition, even though the Issuer is required to register additional assets (for example, Residential Mortgage Loans) in the Special Estate if the value of the Special Estate decreases to such an extent that the Cover Tests would no longer be met, there can be no assurance that the Issuer will be in a position to originate or add new assets to the Special Estate in the future (for a description of the Cover Tests see section 6 (*Over-Collateralisation and Tests)* under "*Summary of the Belgian Covered Bonds Legislation*").

Please refer to section 1.4 (*Performance Date*) of the most recent Investor Report[5] for further information on the performance of the Residential Mortgage Loans that are included in the Special Estate.

Changes to the lending criteria of the Issuer

Each of the Residential Mortgage Loans originated by the Issuer will have been originated in accordance with its lending criteria applicable at the time of origination. It is expected that the Issuer's lending criteria will generally consider, *inter alia*, type of property, term of loan, age of applicant, the loan-to-value ratio, status of applicant and credit history. The Issuer retains the right to revise its lending criteria from time to time but would do so only to the extent that such a change would be acceptable to a reasonable, prudent mortgage lender. If the lending criteria change in a manner that affects the

[5] The Investor Reports are not incorporated in and do not form part of this Base Prospectus and they have not been and will not be scrutinised or approved by the FSMA.

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creditworthiness of the Residential Mortgage Loans, that may lead to increased defaults by Borrowers and may affect the realisable value of the Special Estate, or part thereof, and the ability of the Issuer to make payments under the Covered Bonds.

Decline in real estate values and geographical concentration of the Residential Mortgage Loans

The Residential Mortgage Loans may be affected by, among other things, a decline in real estate values. Certain geographic regions will from time to time experience weaker regional economic conditions and housing markets than will other regions and, consequently, may experience higher rates of loss and delinquency on mortgage loans generally. Although borrowers are located throughout Belgium, the Borrowers may be concentrated in certain locations. Any deterioration in the economic condition of the areas in which the Borrowers are located, or any deterioration in the economic condition of other areas that causes an adverse effect on the ability of the Borrowers to repay the Residential Mortgage Loans could increase the risk of losses on the Residential Mortgage Loans. A concentration of Borrowers in such areas may therefore result in a greater risk of loss than would be the case if such concentration had not been present. Such losses, if they occur, could have an adverse effect on the yield to maturity of the Covered Bonds as well as on the repayment of principal and interest due on the Covered Bonds. Certain areas of Belgium may from time to time experience declines in real estate values. No assurance can be given that values of the underlying properties have remained or will remain at their levels on the dates of origination of the related Residential Mortgage Loans. If the residential real estate market in Belgium in general, or in any particular region, should experience an overall decline in property values such that the outstanding balances of the Residential Mortgage Loans become equal to or greater than the value of the underlying properties, such a decline could in certain circumstances result in the value of the interest in the underlying property securing the Residential Mortgage Loans being significantly reduced and, ultimately, may affect the repayment of the Covered Bonds.

Sale of Residential Mortgage Loans and their Related Security by the Cover Pool Administrator

Following the appointment of a Cover Pool Administrator, the Cover Pool Administrator, or any person appointed by the Cover Pool Administrator, will be entitled to sell in whole or in part the Cover Assets in order to help satisfy the Issuer's obligations in respect of the Covered Bonds. Without prejudice to the powers of the Cover Pool Administrator to liquidate the Special Estate in the circumstances set out above (included in Article 11 of Annex III to the Banking Law), the Cover Pool Administrator needs the approval of the Supervisor and of the Representative for every transaction, including the sale of Cover Assets, that entails that the Cover Tests, the Liquidity Test or the contractual provisions can no longer be fulfilled.

There is no guarantee that the Cover Pool Administrator will be able to sell in whole or in part the Cover Assets as the Cover Pool Administrator may not be able to find a buyer at the time it chooses to sell. In such case, there may be insufficient funds to pay the amounts due to the Covered Bondholders.

Transfer of the Special Estate in a situation of distress

The Supervisor may appoint a Cover Pool Administrator in the circumstances set out in Article 8 of Annex III to the Banking Law. If in addition bankruptcy proceedings are initiated against the Issuer, the Cover Pool Administrator may, subject to the approval of the Supervisor and following consultation with the Representative, transfer the Special Estate (i.e. all assets and liabilities) and its management to an institution which will be entrusted with the continued performance of the obligations to the Covered Bondholders in accordance with the applicable Conditions.

Even though the rights of the Covered Bondholders against the Special Estate will be maintained and will follow the Special Estate on any such transfer, investors should be aware that in such circumstances the obligor under the Covered Bonds will be the institution to which the Special Estate is transferred. Any such transfer and change of debtor will be discussed with the Covered Bondholders' Representative but will not require the consent of the Covered Bondholders.

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In a similar vein, within the framework of resolution measures taken in accordance with the provisions of the Banking Law, the Resolution Authority of the NBB may under certain conditions impose a transfer of all or part of the assets and/or liabilities of the Issuer to (a) a bridge institution (*instrument van de overbruggingsinstelling/instrument de l'établissement-relais*), (b) a specially created asset management vehicle (i*nstrument van afsplitsing van activa*/*instrument de séparation des actifs*), or (c) another acquirer (*instrument van verkoop van de onderneming/instrument de cession des activités*) (Article 255 and the following of the Banking Law). Such transfer may include the Special Estate. In such event, the rights of the Covered Bondholders will be maintained and transferred together with the cover assets that form the Special Estate. It can however not be guaranteed that any such transfer has no adverse effect on the value of the Covered Bonds.

Other Cover Pool Creditors and subordination

The Conditions provide, in accordance with the Belgian Covered Bonds Legislation, that the Other Cover Pool Creditors (as defined in Condition 1 (*Interpretation*)) also have recourse against the Special Estate. These include the Representative, any Derivative Contract Counterparty and the Cover Pool Administrator as well as the Other Cover Pool Creditors (each as defined in Condition 1 (*Interpretation*)).

Moreover, in accordance with the Post Event of Default Priority of Payments and the Early Redemption Priority of Payments (see Condition 9 *(Priorities of payments)*) the claims of the Covered Bondholders may be subordinated to the claims of the Representative, the Cover Pool Monitor, the Cover Pool Administrator and the Other Cover Pool Creditors and will rank *pari passu* with the claims of any Derivative Contract Counterparty (subject to certain exceptions).

As a result, it is possible that none or only part of the proceeds of the Special Estate are applied in satisfaction of amounts due and payable to the Covered Bondholders which may result in a loss to Covered Bondholders.

Covered Bondholders may not immediately accelerate the Covered Bonds upon a breach of the Statutory Tests or an Issuer's bankruptcy

Breach of the Statutory Tests and the opening of bankruptcy proceedings with respect to the Issuer will not give them the right to declare the Covered Bonds immediately due and payable. Covered Bonds which have not yet reached their maturity will not automatically accelerate as a result of a breach of the Statutory Tests or the opening of a bankruptcy procedure against the Issuer, without prejudice to an early repayment of the Covered Bonds and liquidation of the Special Estate pursuant to Article 11, 6° and 7° of Annex III to the Banking Law (see "*Summary of the Belgian Covered Bonds Legislation*").

The Supervisor may appoint a Cover Pool Administrator in certain circumstances including, (a) upon the adoption of a measure or sanction as provided for under Article 8, §1, 1° of Annex III to the Banking Law against the Issuer if, in the opinion of the Supervisor, such measure or sanction and/or the reasons for it may prejudice the rights of the Covered Bondholders and/or of any third parties who may have a claim on the Special Estate, (b) upon the initiation of winding-up proceedings (*liquidatieprocedure/procedure de liquidation*) against the Issuer, (c) upon the withdrawal of the General Authorisation and/or Special Authorisation(s); or (d) in circumstances where the situation of the Issuer is such that it may seriously affect the interests of the Covered Bondholders.

Upon appointment, the Cover Pool Administrator will manage the Special Estate with a view to satisfying the obligations in relation to the Covered Bonds as provided for in the Conditions. The Cover Pool Administrator is legally entrusted with all necessary and relevant powers to manage the Special Estate.

On the initiation of bankruptcy proceedings against the Issuer, the Cover Pool Administrator may also in certain circumstances proceed with the liquidation of the Special Estate and with the early repayment of the Covered Bonds. This is where the Cover Assets are not sufficient or risk not being sufficient to satisfy the obligations under the Covered Bonds (subject to approval by the Supervisor) or when a

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decision to that effect has been taken at a Meeting of Covered Bondholders at which at least two thirds of the principal amount of all Covered Bonds of all Series is represented. Such early repayment may have an adverse effect on the value of the Covered Bonds, which is outlined in Section "*The Issuer may redeem the Covered Bonds prior to their stated maturity, subject to certain conditions"* on page 35.

Other than pursuant to an Event of Default under Condition 8 (*Events of Default and Enforcement*) or pursuant to Article 11, 7° of Annex III to the Banking Law, the Covered Bondholders cannot direct an acceleration of the Covered Bonds.

Belgian bankruptcy proceedings

Although any bankruptcy proceedings with respect to the Issuer would be limited to the General Estate, there may be some adverse consequences with respect to the Special Estate as well.

Pursuant to the Belgian Covered Bonds Legislation, an insolvency administrator has a legal obligation to cooperate with the Supervisor and the Cover Pool Administrator in order to enable them to manage the Special Estate in accordance with the Belgian Covered Bonds Legislation. There may be certain practical difficulties in this respect which may cause a delay in the execution of the obligations of the Special Estate towards the Covered Bondholders and the Other Cover Pool Creditors.

On the initiation of bankruptcy proceedings against the Issuer, an insolvency administrator is entitled, after consultation with the Supervisor, to require that the assets, which are with certainty no longer necessary as Cover Assets, return to the General Estate. The preparatory works of the Belgian Law of 3 August 2012 establishing a legal framework for Belgian covered bonds specify that the determination as to whether certain cover assets constitute a surplus that is not necessary for the payment of the covered bondholders must take place in consultation with the Supervisor and must take into account not only the regulatory requirements but also, as the case may be, the maintenance of the ratings assigned by external credit ratings agencies. Even so, this would affect the value of the Special Estate and there can be no assurance that it would not affect the repayment of the Covered Bonds.

Commingling risk

In the event of bankruptcy of the Issuer, the ability of the assets comprising the Special Estate to generate funds to make timely payments on the Covered Bonds will in part depend on whether the Special Estate has been maintained in compliance with the statutory requirements (see section headed "*Summary of the Belgian Covered Bonds Legislation*"). To the extent that the bank accounts into which collections in respect of the Special Estate are paid or where funds are otherwise held for the Special Estate are held with the Issuer, a commingling risk cannot, as a practical matter, be excluded. This risk is mitigated to some extent by the revindication mechanism provided in Article 3, §2, second indent of Annex III to the Banking Law pursuant to which the property rights over any amounts that are part of the Special Estate but that cannot be identified as such in the General Estate are transferred by operation of law to other unencumbered assets in the General Estate selected in accordance with the criteria specified in Condition 12.1 (*Criteria for the transfer of assets by the General Estate to the Special Estate*).

Nevertheless, to the extent that certain underlying debtors are not notified on time or otherwise continue to make payments to the Issuer accounts or to the extent that cash may not be able to be withdrawn from such accounts in such circumstances, the Special Estate or the Cover Pool Administrator, as the case may be, may not be in a position to make timely payments. This risk is mitigated to some extent by the undertaking of the Issuer that it will ensure that the Special Estate will at all times include liquid bonds, meeting certain specified criteria, that have a market value which is higher than the amount of interest due and payable on the outstanding Covered Bonds within a period of three months (See Condition 2.6 (*Issuer undertaking*).)

However, to the extent that there are not enough unencumbered assets available for purposes of revindication as set out above, the Covered Bonds may be repaid later than expected or not at all.

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Set-Off risk

Under Belgian law, legal set-off occurs where two persons hold claims against each other, provided, in general, that their debts exist, are fungible, liquid (*vaststaand/liquide*) and due (*opeisbaar/exigible*). As a result, set-off rights may arise in respect of cross-claims between an underlying debtor of a Residential Mortgage Loan and the Issuer, potentially reducing amounts receivable by the Special Estate.

Pursuant to the law of 3 August 2012 on various measures to facilitate the mobilisation of receivables in the financial sector (*Wet van 3 augustus 2012 betreffende diverse maatregelen ter vergemakkelijking van de mobilisering van schuldvorderingen in de financiële sector/Loi du 3 août 2012 relative à des mesures diverses pour faciliter la mobilisation de créances dans le secteur financier)*, as amended and/or supplemented and/or restated from time to time (the **Mobilisation Law**), the underlying debtor may no longer invoke set-off of the debt with any claim that would arise after, or in respect of which the conditions for legal set-off would not met prior to, the earlier of, (a) the notification of the registration of the relevant loan to the underlying debtor (or acknowledgement thereof by the underlying debtor), to the extent the conditions for set-off are only satisfied after such notification (or acknowledgment), or (b) regardless of any notification or acknowledgement of the registration, following the start of insolvency proceedings or the occurrence of a situation of concurrence of creditors (*samenloop/concours*) in relation to the Issuer, to the extent the conditions for set-off are only satisfied following or as a result of such insolvency proceedings or concurrence of creditors.

The Special Estate may nevertheless still be subject to the rights of the underlying debtors of Residential Mortgage Loans to invoke set-off against the Special Estate to the extent that the relevant claims against the Issuer arise, or the conditions for set-off against the Issuer are met, prior to the earlier of, (a) the notification (or acknowledgement) of the registration of the loan, or (b) the start of insolvency proceedings or the occurrence of a situation of concurrence of creditors in respect the Issuer. The exercise of set-off rights by underlying debtors may adversely affect the value of the Special Estate, may additionally affect any sale proceeds of the Special Estate and may ultimately affect the ability of the Issuer or the Cover Pool Administrator, as applicable, to make payments to the Covered Bondholders under the Covered Bonds.

Mortgage mandates

Pursuant to the Belgian Covered Bonds Legislation, a Residential Mortgage Loan which is partly secured by a mortgage mandate may be included in the Special Estate. Subject to certain valuation rules (see *"Summary of the Belgian Covered Bonds Legislation*"), the amounts secured by the mortgage mandate may be taken into account for the purposes of the Cover Tests.

Covered Bondholders should be aware that such mortgage mandate is not a security and that it will only provide a security interest once the mandate has been exercised and a mortgage has been registered. Accordingly, prior to such exercise, the Special Estate will not benefit from any security in respect of that portion of a Residential Mortgage Loan covered by the mortgage mandate. Moreover, in certain circumstances as further set out below, exercise of a mandate may no longer be possible or may no longer result in valid and effective security.

The following limitations, amongst others, exist in relation to the conversion of mortgage mandates:

- the Borrower or the third party collateral provider that has granted a mortgage mandate may grant a mortgage to a third party that will rank ahead of the mortgage to be created pursuant to the conversion of the mortgage mandate, although this would generally constitute a contractual breach of the standard loan documentation;

- if a conservatory or an executory attachment of the real property covered by the mortgage mandate has been filed by a third party creditor of the borrower or, as the case may be, of the third party collateral provider, a mortgage registered pursuant to the exercise of the mortgage mandate after the

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writ of attachment has been recorded at the mortgage register will not be enforceable against the creditor who filed the attachment;

- if the borrower or the third party collateral provider is a merchant:
  - the mortgage mandate can no longer be converted following the bankruptcy of the borrower or, as the case may be, the third party collateral provider and any mortgage registered at the mortgage register after the bankruptcy judgment is void; and
  - a mortgage registered at the mortgage register pursuant to the exercise of a mortgage mandate during the pre-bankruptcy investigation period (i.e., after the date of cessation of payments that may be fixed by the court) for a pre-existing loan will not be enforceable against the bankrupt estate. Under certain circumstances, the clawback rules are not limited in time, for example, where a mortgage has been granted pursuant to a mortgage mandate and in order to "fraudulently prejudice" creditors; and
  - mortgages registered after the day of cessation of payments of debt can be declared void by the bankruptcy court, if the registration was made more than fifteen days after the creation of the mortgage; and
  - the effect of a judicial reorganisation (*gerechtelijke reorganisatie*/*réorganisation judiciaire*) or transfer under judicial supervision (*overdracht onder gerechtelijk gezag/transfert sous contrôle judiciaire*) of a borrower or of a third party collateral provider on the mortgage mandate is uncertain;
- if the borrower or the third party collateral provider, as the case may be, is an individual (non-merchant) and started collective debt settlement proceedings, a mortgage registered at the mortgage register after the court has declared the request admissible is not enforceable against the other creditors of the borrower or of the third party collateral provider;
- besides the possibility that the borrower or the third party collateral provider may grant a mortgage to another lender discussed above, the mortgage to be created pursuant to a mortgage mandate may also rank behind certain statutory mortgages (such as, for example, the statutory mortgage of the tax and the social security authorities) to the extent these mortgages are registered before the exercise of the mortgage mandate. In this respect, it should be noted that the notary involved in preparing the mortgage deed will need to notify the tax administration, and, as the case may be, the social security administration before finalising the mortgage deed pertaining to the creation of the mortgage;
- if the borrower or the third party collateral provider, as the case may be, is an individual, certain limitations apply to the conversion of the mortgage mandate into a mortgage if the Borrower or third party collateral provider dies before the conversion; certain limitations also apply in case of a dissolution of the borrower or third party collateral provider that is a legal person.

In addition, prior to such exercise, third parties acting in good faith may register prior-ranking mortgages.

Once a mandate is exercised, the ensuing mortgage will rank at the highest level available at the time of registration of such mortgage.

To the extent that the mortgage secures any other loans made by the Issuer to the same grantor that are not included in the Special Estate, all proceeds received out of the enforcement of the mortgage will be applied in priority in satisfaction of the obligations under the relevant loans that are included in the Special Estate (see also Condition 12.3 (*Priority Rules regarding security interest securing both Cover Assets and assets in the General Estate*)).

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Changes in composition of the Special Estate

There is no assurance that the characteristics of the Cover Assets allocated to the Special Estate on the relevant Issue Date will be the same as those Cover Assets in the Special Estate as at any date thereafter. As such, it is possible that the composition of the Special Estate changes after the date of this Base Prospectus and these changes may have an adverse effect on the Issuer's financial position and its ability to perform its obligations under the Covered Bonds.

Credit ratings of the Covered Bonds

The Rating Agencies may assign ratings to an issue of Covered Bonds. The expected credit ratings of the Covered Bonds, if applicable, are set out in the applicable Final Terms for each Series of Covered Bonds. There is no guarantee that ratings will be assigned or maintained by the Issuer following the date of this Base Prospectus. A Rating Agency may lower its rating or withdraw its rating if, in the sole judgment of that Rating Agency, the credit quality of the Covered Bonds has declined or is in question. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time.

If any credit rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may reduce.

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IMPORTANT NOTICES

Restrictions on distribution

The distribution of this Base Prospectus and the offering or sale of the Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

Prohibition of sales to EEA retail investors

The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail investors

The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**UK FSMA**) and any rules or regulations made under the UK FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Prohibition of sales to consumers in Belgium

The Covered Bonds are not intended to be offered, sold or otherwise made available to and may not be offered, sold or otherwise made available to any consumer (*consument/consommateur*) within the meaning of Article I.1 of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) in Belgium.

MiFID II product governance / target market

The Final Terms in respect of any Covered Bonds will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the target market assessment. However, a distributor subject to MiFID II is responsible for undertaking

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its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market

The Final Terms in respect of any Covered Bonds will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore

All Covered Bonds issued or to be issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Investment considerations

The Covered Bonds may not be a suitable or appropriate investment for all investors. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Covered Bonds, the merits and risks of investing in the relevant Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all information contained in the applicable Final Terms. For the avoidance of doubt, this is without prejudice to the responsibility of the Issuer for the information contained in this Base Prospectus and the Final Terms for each Tranche of Covered Bonds, as set out in the section "*Responsibility Statement*";

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Covered Bonds and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Covered Bonds, including where the currency for principal and/or interest payments is different from the potential investor's currency;

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(d) understand thoroughly the terms of the relevant Covered Bonds and be familiar with the behaviour of any relevant indices, interest rates and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation, by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Covered Bonds are legal investments for it, (b) Covered Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

The above is without prejudice to the legal and regulatory obligations of the issuer and the financial intermediaries. These obligations may require the Issuer and relevant financial intermediaries to assess whether an investment is suitable or appropriate for an investor.

No guarantee

The Covered Bonds will be solely obligations of the Issuer and will not be obligations of or guaranteed by the Representative, the Cover Pool Monitor, the Cover Pool Administrator, the Supervisor, the Agents, the Derivative Contract Counterparties, the Arranger, the Dealers or the Listing Agent (as defined below). No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Covered Bonds shall be accepted by any of the Arranger, the Dealers, the Derivative Contract Counterparties, the Representative, the Cover Pool Monitor, the Agents, the Cover Pool Administrator, the Supervisor, any company in the same group of companies as such entities or any other party to the programme documents relating to the Programme.

The Covered Bonds will not represent an obligation or be the responsibility of any of the Arranger, the Dealers, the Representative or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer. The Issuer will be liable solely in its corporate capacity for its obligations in respect of the Covered Bonds and such obligations will not be the obligations of its respective officers, members, directors, employees, security holders or incorporators.

Exempt Covered Bonds

The Issuer may issue Covered Bonds under the Programme that are not admitted to trading on a regulated market in the European Economic Area, for which there is no requirement to publish a prospectus in accordance with the Prospectus Regulation (**Exempt Covered Bonds**). Such Exempt Covered Bonds may be issued in a form and subject to conditions not contemplated by the terms and conditions or the final terms set out herein or under a different prospectus or without prospectus. The Exempt Covered Bonds that may be issued under the Programme will be subject to the Programme Common Terms. The FSMA has not reviewed nor approved any Exempt Covered Bonds or any documents relating thereto.

Forward-looking statements

This Base Prospectus contains or incorporates by reference certain statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Issuer's business strategies, trends in its business, competition and competitive advantage, regulatory changes, and restructuring plans.

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Words such as believes, expects, projects, anticipates, seeks, estimates, intends, plans or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer does not intend to update these forward-looking statements except as may be required by applicable securities laws (see "*Supplements to this Base Prospectus*" on page 220).

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. See Section "*Risk factors*" on page 20 and following for a non-exhaustive overview of such factors.

Rounding

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

Currencies

In this Base Prospectus, all references to **euro**, **EUR** and **€** refer to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Union, as amended.

References to the Issuer, KBC Bank Group, KBC Group NV and KBC Group

In this Base Prospectus, the term **Issuer** refers to KBC Bank NV. The Issuer together with its subsidiaries are referred to in this Base Prospectus as **KBC Bank Group**. The Issuer is a wholly-owned subsidiary of KBC Group NV. KBC Group NV together with its subsidiaries (including the Issuer) are referred to as **KBC Group**. See Section "*Information relating to the Issuer*" on page 56 for more information regarding the Issuer's corporate and group structure, and the relationship between the Issuer and KBC Group NV and between KBC Bank Group and KBC Group.

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INFORMATION RELATING TO THE ISSUER

This section provides a description of the Issuer's business activities as well as certain financial information in respect of the Issuer. In this section, as in the rest of this Base Prospectus, the term ***Issuer*** *refers to KBC Bank NV. The Issuer together with its subsidiaries are referred to in this Base Prospectus as* ***KBC Bank Group****. The Issuer is a wholly-owned subsidiary of* ***KBC Group NV****. KBC Group NV together with its subsidiaries (including the Issuer) are referred to as* ***KBC Group*** *or the* ***Group****.*

Any documentation referred to in this Base Prospectus, but not incorporated by reference, shall not be part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

1. Corporate Structure, share capital and credit ratings

General information

The Issuer was established in Belgium in 1998 as a bank in the form of a limited liability company (*naamloze vennootschap / société anonyme*) for an unlimited duration and operates under the laws of Belgium. The Issuer's Belgian enterprise number is 0462.920.226 and its LEI code is 6B2PBRV1FCJDMR45RZ53. The Issuer is registered in the register of legal persons (*rechtspersonenregister (RPR) / registre des personnes morales (RPM)*) of the Dutch-speaking enterprise court of Brussels. The Issuer's registered office is at Havenlaan 2, B-1080 Brussels, Belgium, its telephone number is (+32) (0) 78 152 153 and its website is www.kbc.com. The information on the Issuer's website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except to the extent that such information is explicitly incorporated by reference in this Base Prospectus (see Section "*Documents Incorporated by Reference*" on page 217 and following of this Base Prospectus). The Issuer is registered as a credit institution with the National Bank of Belgium.

The Issuer is a wholly-owned subsidiary of the KBC Group NV and is part of KBC Group NV, on which it depends for certain group functions and because of the integrated regulatory and solvency supervision. A simplified schematic of KBC Group's legal structure is provided below.

In compliance with the MREL subordination requirement (as determined by the Single Resolution Board), KBC Group NV was converted to a clean holding company, whose main operations involve financing activities and group-wide control activities and functions. The clean holding company facilitates the Single Point of Entry strategy in the event of settlement of KBC Group NV. As a result of this project, only a number of control functions, the financial holding activities and the issue of equity and MREL instruments remained at the level of the financial holding company KBC Group NV. All other activities of KBC Group NV (other group functions, Shared Services & IT) were transferred to KBC Global Services NV, a new wholly-owned subsidiary of KBC Group NV, from 1 June 2022.

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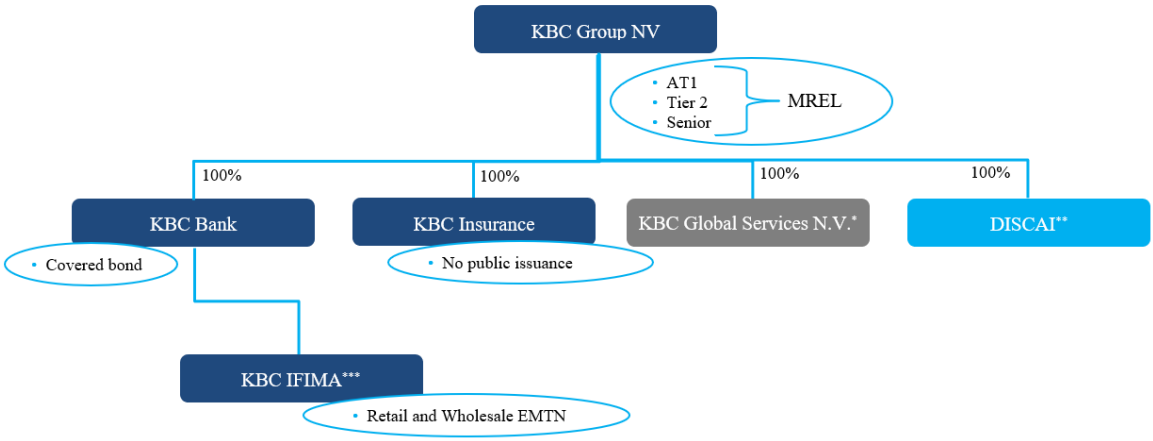
Simplified scheme:



* To ensure that KBC Group NV's HoldCO senior debt is eligible for the subordinated MREL target (i.e., to make sure that no exluded liabilities ranking *pari passu* or junior with HoldCo senior debt are present in KBC Group NV), the KBC Group ExCo decided to make KBC Group NV a Clean HoldCo for the purpose of resolution. All the activites of KBC Group NV have been transferred (as at 1/6/2022) to a new subsidiary of KBC Group NV (with exception of the group controlling functions), the financial holding activities and issuing own funds and MREL instruments that remain at KBC Group NV.

** DISCAI (Discovering AI) is a separate fully owned subsidiary, grouping the in-house developed artificial intelligence solutions for commercialisation to third parties (as of 7 March 2022).

*** All debt obligations of KBC IFIMA are unconditionally and irrevocably guaranteed by KBC Bank.

The other major subsidiary of KBC Group NV is KBC Insurance NV. The Issuer co-operates closely with KBC Insurance NV, amongst others, in relation to the distribution of insurance products and depends on it for the further implementation of the bank-insurance model.

The Issuer and KBC Insurance NV each have a number of subsidiaries. The Issuer's subsidiaries are mainly banking and other financial entities in Belgium and in Central and Eastern Europe. The Issuer also acts as funding provider for a number of its subsidiaries.

A list of the main subsidiaries of the Issuer can be found on page 237 of the Issuer's 2024 Annual Report. A complete list of group companies (included in or excluded from the scope of consolidation) is provided at www.kbc.com > About us > Our structure.

Share capital and shareholder

As at the date of this Base Prospectus, the Issuer's share capital amounts to EUR 9,732 million and consists of 995,371,469 ordinary shares, which are all held by KBC Group NV. The share capital is fully paid up.

The shares of the Issuer's parent company, KBC Group NV, are listed on Euronext Brussels. An overview of the shareholding of KBC Group NV is available on the KBC Group NV website at www.kbc.com. The core shareholders of KBC Group NV are KBC Ancora, CERA, MRBB and a group of legal entities and individuals referred to as 'Other core shareholders'. The overview of shareholding is not incorporated by reference in, and does not form part of this, Base Prospectus and it has not been, and will not be, scrutinised or approved by the FSMA.

Credit ratings

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As at the date of this Base Prospectus, the following long term credit ratings have been assigned to the Issuer with the cooperation of the Issuer in the rating process:

Fitch Ratings Ireland Limited ("**Fitch**") – A+

According to Fitch's Rating Definitions, an "A" rating indicates high credit quality. "A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

Moody's France SAS ("**Moody's**") – A1

According to Moody's Rating Symbols and Definitions, obligations rated A are considered upper-medium grade and are subject to low credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category.

S&P Global Ratings Europe Limited ("**Standard and Poor's**") – A+

According to Standard and Poor's Global Ratings Definitions, an obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The addition of a plus (+) or minus (-) sign shows relative standing within the rating categories.

More information regarding the Issuer's long term credit ratings can be found in the latest credit opinion from the relevant credit rating agencies, available at https://www.kbc.com/en/credit-ratings[6] and in the applicable rating methodologies published by the relevant credit rating agencies. None of that website, those credit opinions or those rating methodologies are incorporated by reference in or form part of this Base Prospectus, and they have not been scrutinised or approved by the FSMA.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The Issuer does not represent that it will maintain any level of credit rating, or any credit rating at all, with any credit rating agency.

These credit ratings relate to the Issuer's financial obligations generally and not to any specific financial obligation such as the Covered Bonds or any Series thereof.

Each credit rating agency referred to above is established in the EEA and is listed on the "List of Registered and Certified CRAs" as published by ESMA on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)[7] in accordance with Article 18(3) of Regulation (EC) No. 1060/2009 on credit rating agencies, as amended from time to time (the "**CRA Regulation**"). If an issue-specific credit rating is specified in the applicable Final Terms, then those Final Terms will also specify whether that credit rating is (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not

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6 This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

7 This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

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established in the EEA but which is certified under the CRA Regulation. None of the credit rating agencies referred to above is established in the UK in accordance with the CRA Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Accordingly, the Issuer rating issued by (i) Fitch has been endorsed by Fitch Ratings Ltd, (ii) Moody's has been endorsed by Moody's Investors Service Limited and (iii) Standard and Poor's has been in endorsed by S&P Global Ratings UK Limited, each in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by each credit rating agency referred to above may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

2. Administrative, Management and Supervisory Bodies

Board of Directors and Executive Committee

The Issuer is administered by a Board of Directors and an Executive Committee in accordance with the relevant legal requirements.

The Issuer's Board of Directors is empowered to determine the company's general policy and strategy and to perform all acts which, by law, are reserved specifically for it. The Board of Directors is responsible for supervising the Executive Committee.

The Issuer's Executive Committee is empowered to perform all acts that are necessary or useful in achieving the company's object, apart from those that the General Meeting of Shareholders is empowered to perform by law and those reserved for the Board of Directors by law.

The Issuer's object is set out in Article 2 of its Articles of Association. It includes the execution of all banking operations in the widest sense, as well as the exercise of all other activities which banks are or shall be permitted to pursue and all acts that contribute directly or indirectly thereto.

To the extent these laws and regulations apply to the Issuer, the Issuer complies with the laws and regulations of Belgium regarding corporate governance. As at the date of this Base Prospectus, the members of the Board of Directors are the following:

Name and business address	**Position**	**Expiry date of current term of office**	**External offices**
DEBACKERE Koenraad KBC Bank NV, Havenlaan 2 1080 Brussels	Non-executive director, Chairman of the Board of Directors	2028	KBC Verzekeringen NV, non-executive director KBC Group NV, non-executive director KBC Global Services NV, non-executive director Thor Park NV, non-executive director Mo-Thor, non-executive director

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			Umicore NV, non-executive director
ANDRONOV Peter KBC Bank NV, Havenlaan 2 1080 Brussels	Executive director	2029	KBC Insurance NV, executive director KBC Group NV, member of the executive committee KBC Global Services NV, member of the management board KBC Asset Management NV, Chairman of the board of Directors Ceskoslovenska Obchodna Banka a.s. (SR), non-executive director, Chairman of the Supervisory Board DZI General Insurance EAD, non-executive director, Chairman of the Supervisory Board DZI Life Insurance JSC, non-executive director, Chairman of the Supervisory Board K&H Bank Zrt, non-executive director, Chairman of the Board of Directors K&H Biztosító Zrt., Chairman of the Supervisory Board UNITED BULGARIAN BANK AD, non-executive director, Chairman of the Supervisory Board KBC BANK IRELAND PLC, Chairman of the Board of Directors
BLAZEK Alés KBC Bank NV, Havenlaan 2 1080 Brussels	Executive director	2026	KBC Insurance NV, executive director KBC Group NV, member of the executive committee Ceskoslovenska obchodni banka, CEO CSOB Pojistovna, Chairman of the Supervisory Board
LUTS Erik	Executive director	2029	De Bremberg VZW, non-executive director

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KBC Bank NV, Havenlaan 2 1080 Brussels			KBC Focus Fund NV, non-executive director KBC Verzekeringen NV, executive director KBC Group NV, member of the executive committee KBC Global Services NV member of the management board Discai NV, non-executive director EPI INTERIM COMPANY SE, non-executive director Bancontact Payconiq Company NV, non-executive director
MOUCHERON David KBC Bank NV, Havenlaan 2 1080 Brussels	Executive director	2029	KBC Insurance NV, executive director KBC Group NV, member of the executive committee KBC Global Services NV member of the management board CBC Banque SA, non-executive director, Chairman of the Board of Directors BVB, non-executive director Febelfin VZW, executive director
PUELINCKX Bartel KBC Group NV Havenlaan 2 1080 Brussels Belgium	Executive Director (CFO)	2029	Executive Director of KBC Verzekeringen NV Executive Director of KBC Bank NV Chairman of the Board of Directors of KBC Securities NV Chairman of the Board of Directors of KBC Focus Fund NV Member of the Management Board of KBC Global Services NV
THIJS Johan KBC Bank NV, Havenlaan 2 1080 Brussels	Executive director/CEO	2029	KBC Insurance NV, executive director/CEO Febelfin VZW, non-executive director

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			KBC Group NV, executive director/CEO KBC Global Services NV member of the management board VOKA VZW, non-executive director BVB, non-executive director DISCAI NV, non-executive director Museum Nicolaas Rockox VZW, non-executive director
VAN RIJSSEGHEM Christine KBC Bank NV, Havenlaan 2 1080 Brussels	Executive director	2026	KBC Group NV, executive director KBC Insurance NV, executive director K&H Bank Zrt, non-executive director KBC Bank Ireland plc, non-executive director Ceskoslovenska Obchodni Banka a.s. (CR), non-executive director United Bulgarian Bank AD, non-executive director KBC Global Services NV member of the management board Women in Finance Belgium vzw, Chairman of the Board of Directors De Warande vzw, non-executive director
DEPICKERE Franky Cera-KBC Ancora Muntstraat 1 3000 Leuven	Non-executive director	2027	Cera CV, executive director Cera Beheersmaatschappij NV, executive director BRS Microfinance Coop CV, non-executive director Euro Pool System International BV, non-executive director KBC Group NV, non-executive director

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			KBC Insurance NV, non-executive director Almancora Beheersmaatschappij NV, executive director Ceskoslovenska Obchodni Banka a.s. (CR), member of the Supervisory Board CBC Banque SA, non-executive director United Bulgarian Bank AD, non-executive director KBC Global Services NV member of the supervisory board
DE BECKER Sonja M.R.B.B. BV Diestsevest 40 3000 Leuven	Non-executive director	2028	M.R.B.B. BV– Maatschappij voor Roerend Bezit van de Boerenbond, Chair of the Board of directors SBB gecertifieerde accountants en adviseurs BV, Chair of the Board of Directors SBB Bedrijfsdiensten BV, Chair of the Board of Directors Acerta BV, non-executive director Aktiefinvest BV, Chair of the Board of Directors Agri Investment Fund BV, Chair of the Board of Directors Arvesta BV, Chair of the Board of Directors Acerta Consult BV, non-executive director Acerta Services BV, non-executive director Acerta Verzekeringen BV, non-executive director Shéhérazade Developpement BV, non-executive director KBC Group NV, non-executive director KBC Insurance NV, non-executive director

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			KBC Global Services NV, member of the supervisory board K&H Bank Zrt, non-executive director
DE CEUSTER Marc KBC Bank NV, Havenlaan 2 1080 Brussels	Non-executive director	2027	KBC Group NV, non-executive director KBC Insurance NV, non-executive director KBC Global Services NV, non-executive director Cera Beheersmaatschappij NV, executive director Almancora Beheersmaatschappij NV, executive director KBC Ancora NV, executive director Cera CV, executive director CBC Banque SA, non-executive director
MAGNUSSON Bo KBC Bank NV, Havenlaan 2 1080 Brussels	Independent director	2028	FCG Group AB, Chairman of the Board of Directors
OKKERSE Liesbet KBC Bank NV, Havenlaan 2 1080 Brussels	Non-executive director	2027	KBC Groep NV, non-executive director KBC Insurance NV, non-executive director KBC Global Services NV, non-executive director Cera Beheersmaatschappij NV, non-executive director Almancora Beheersmaatschappij NV, non-executive director
REYES REVUELTA ALICIA	Independent director	2026	KBC Group NV, non-executive director

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KBC Bank NV, Havenlaan 2 1080 Brussels			KBC Global Services NV, member of the supervisory board Banco Sabadell, non-executive director Ferrovial SA, non-executive director
RADL ROGEROVA Diana	Non-executive director	2028	KBC Group NV, executive director KBC Bank NV, executive director KBC Global Services, executive director Behind Inventions a.s., executive director
DE GROOT Elisabeth Ariane (Els)	Independent director	2029	Enexis Holding NV

Audit Committee

The Audit Committee has been set up by the Board of Directors and has – with some limited exceptions – an advisory role. The Audit Committee, among other things, monitors the financial reporting process and submits recommendations or proposals to ensure its integrity, and monitors the effectiveness of the internal control and the risk management in place.

The powers and composition of the Audit Committee, as well as its way of functioning, are extensively dealt with in the Corporate Governance Charter of the Issuer which is published on www.kbc.com. The Corporate Governance Charter is not incorporated by reference and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the FSMA.

The members of the Issuer's Audit Committee are:

- Marc De Ceuster (chairman);
- Bo Magnusson (independent director); and
- Els de Groot (independent director).

Risk and compliance committee

The Risk and Compliance Committee has been set up by the Board of Directors and has an advisory role. The Risk and Compliance Committee, among other things, provides advice to the Board of Directors about the current and future risk appetite and risk strategy.

The powers and composition of the Risk and Compliance Committee, as well as its way of functioning, are extensively dealt with in the Issuer's Corporate Governance Charter, which is available on www.kbc.com. The Corporate Governance Charter is not incorporated by reference and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the FSMA.

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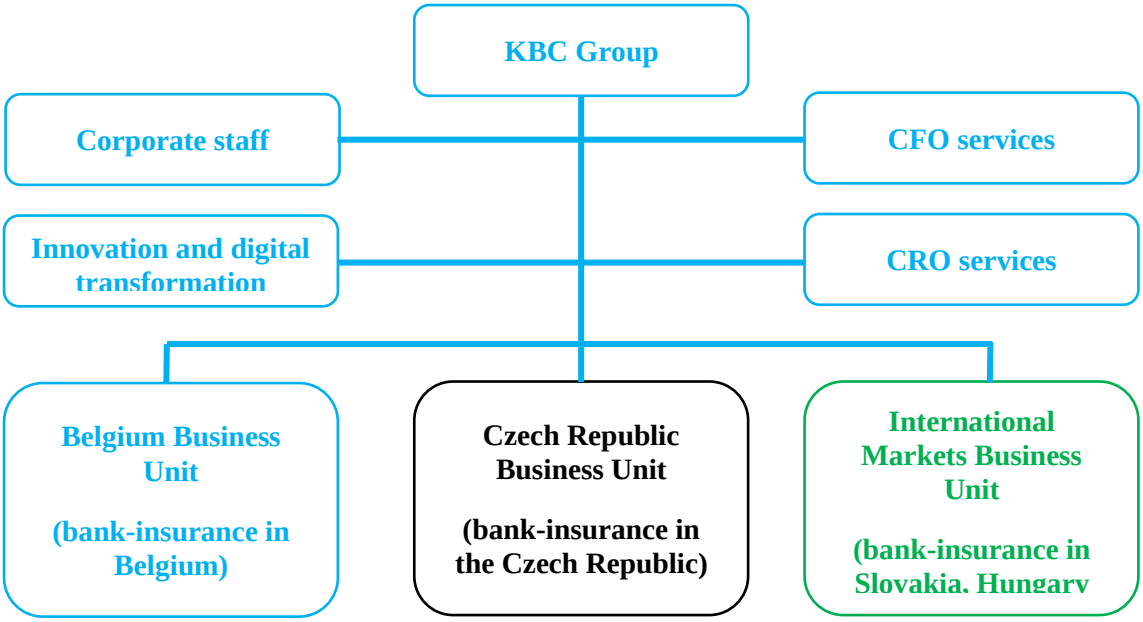
The members of the Issuer's Risk and Compliance Committee are:

- Franky Depickere (chairman);
- Bo Magnusson (independent director); and
- Els de Groot (independent director).

Management structure

KBC Group NV's strategic choices are fully reflected in the group structure, which consists, as at the date of this Base Prospectus, of a number of business units and support services and which are presented in simplified form as follows:



The management structure of both the KBC Group NV and the Issuer essentially comprises:

- the three business units, which focus on local business and are expected to contribute to sustainable profit and growth:
  - Belgium Business Unit;
  - Czech Republic Business Unit; and
  - International Markets Business Unit: this encompasses the other core countries in Central and Eastern Europe (the Slovak Republic, Hungary and Bulgaria).
- the pillars 'CRO Services' and 'CFO Services' (which act as an internal regulator, and whose main role is to support the business units), 'Corporate Staff' (which is a competence centre for strategic know-how and best practices in corporate organisation and communication) and 'Innovation and digital transformation'.

Each business unit is headed by a Chief Executive Officer ("**CEO**"), and these CEOs, together with the CEO, the Chief Risk Officer ("**CRO**"), the Chief Innovation Officer ("**CIO**") and the Chief Financial Officer ("**CFO**") constitute the Executive Committee.

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Conflicts of interest

The Issuer is not aware of any potential conflicts of interest between the duties to the Issuer of the members of the Board of Directors and the Executive Committee detailed above and their private interests or other duties.

3. Information relating to the Issuer's business

The strategy of KBC Group NV

The Issuer's strategy is fully embedded in the strategy of its parent company, KBC Group NV. A summary is given below of the strategy of KBC Group NV, where the Issuer is essentially responsible for the banking business and KBC Insurance NV for the insurance business.

KBC Group NV's strategy rests on a number of principles:

- "We place our clients at the centre of everything we do.
- We look to offer our clients a unique bank-insurance experience.
- We focus on our group's long-term development and aim to achieve sustainable and profitable growth.
- We assume our role in society and local economies.
- We implement our strategy within a strict risk, capital and liquidity management framework.
- As part of our PEARL+ business culture, we focus on jointly developing solutions, initiatives and ideas within the group ("PEARL+" stands for "Performance", "Empowerment", "Accountability", "Responsiveness" and "Local Embeddedness"). For further information on PEARL+ see page 10 of the Issuer's 2024 Annual Report).

A summary of the Issuer's strategy is set out on pages 18 to 24 of the Issuer's 2024 Annual Report, which is incorporated by reference into this Base Prospectus as set out in the section entitled "*Documents Incorporated by Reference*" on page 217 and following of this Base Prospectus.

More detailed information regarding KBC Group NV's strategy can be found on pages 24 to 41 of KBC Group NV's 2024 Annual Report, which is available at https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/Results/jvs-2024/jvs-2024-gr-en.pdf.cdn.res/last-modified/1743057553613/jvs-2024-gr-en.pdf. KBC Group NV's 2024 Annual Report is not incorporated by reference into and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the FSMA for purposes of this Base Prospectus.

General description of the Issuer's activities

The Issuer is a multi-channel banking group that caters primarily to private persons, small and medium-sized enterprises ("**SMEs**") and midcaps. Its geographic focus is on Europe. In its "home" (or "core") markets (Belgium, the Czech Republic, the Slovak Republic, Hungary and Bulgaria the Issuer has important and (in some cases) even leading positions (based on internal data)). The Issuer is also present in other countries where the primary focus is on supporting the corporate clients of the home markets.

The Issuer's core business is retail and private bank-insurance (including asset management), although it is also active in providing services to corporations and market activities. Across most of its home markets, the Issuer is active in a large number of products and activities, ranging from the plain vanilla

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deposit, credit, asset management and insurance businesses (via the Issuer's sister company, KBC Insurance NV) to specialised activities such as, but not exclusively, payments services, dealing room activities (money and debt market activities), brokerage and corporate finance, foreign trade finance, international cash management and leasing.

Activities in Belgium

Market position of the bank network in Belgium	
Market share (estimates by the Issuer), end of 2024	Banking products* 21% Investment funds 27%
Bank branches, end of 2024	429

** Average of the share in credits and the share in deposits.*

The Issuer had, at the end of 2024, a network of 429 (staffed) bank branches in Belgium: KBC Bank branches in Flanders, CBC Banque branches in Wallonia and KBC Brussels branches in the Brussels area. The branches focus on providing clients with a broad range of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products (in cooperation with the Issuer's sister company, KBC Insurance NV) and other specialised financial banking products and services. The KBC Bank Group's bricks-and-mortar networks in Belgium are supplemented by electronic channels, such as ATMs, telephones and the internet (including a mobile banking app and Kate, the group's digital assistant). KBC Bank, CBC Banque and KBC Brussels serve, based on their own estimates, approximately 3.8 million banking clients. Including insurance business, the number of clients rises to 4.0 million.

KBC Group NV considers itself to be an integrated bank-insurer. Certain shared and support services are organised at KBC Group NV level, serving the entire KBC Group and not just the bank or insurance businesses separately. It is the Group's aim to continue to actively encourage the cross-selling of bank and insurance products. The success of the KBC Group's integrated bank-insurance model is in part due to the cooperation that exists between the bank branches and the insurance agents of KBC Insurance NV and CBC Assurance, whereby the branches sell standard insurance products to retail customers and refer their customers to the insurance agents for non-standard products. Claims-handling is the responsibility of the insurance agents, the call centre and the head office departments at KBC Insurance NV.

At the end of 2024, the KBC Bank Group had, based on its own estimates (see table above), a 21% share of traditional banking activities in Belgium (the average of the share of the lending market and the deposit market). Over the past few years, the Issuer has built up a strong position in investment funds too, with an estimated market share of approximately 27%.

The Issuer believes in the power of a physical presence through a branch network that is close to its clients. At the same time, however, it expects the importance of online and mobile bank-insurance to grow further and it is constantly developing new applications in these areas. That includes the various mobile banking apps for smartphones and tablets, as well as a digital assistant called "Kate", which are being continuously improved and expanded.

Client expectations have shifted enormously in recent years, with efficient and user-friendly products and services becoming the norm, powered by technology. For that reason, the Issuer has been engaged

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for several years now in the digitalisation of processes that allow simple, high-quality products to be brought to clients in a smooth and rapid manner. For a few years now, it has been designing products, services and processes from a 'digital-first' perspective. This implies that they were modified before being digitalised to make them simpler, more user-friendly and scalable and that they allow a fast and appropriate response to its clients' questions and expectations. For clients who so desire, the Issuer will use the available data in an intelligent and appropriate manner. As it has seen that clients increasingly demand more proactive and personal products and services in addition to speed and simplicity. This is why the Issuer is transitioning from an omnichannel distribution model towards a digital-first distribution model. The human factor remains important in both models and its staff and branches will be fully at the disposal of its clients. In a digital-first distribution model, digital interaction with clients will form the initial basis. The Issuer therefore aims over time to provide all relevant solutions via mobile applications. In addition to a digital product range, it will offer clients digital advice and develop all processes and products as if they were sold digitally. For clients who so wish, Kate – its personal digital assistant – plays an important role in digital sales and advisory, so that personalised and relevant solutions can be offered proactively. Clients can personally ask Kate questions regarding their basic financial transactions. They also receive regular discrete and proactive proposals at appropriate times in their mobile app to ensure maximum convenience. Clients are entirely free to choose whether or not to accept a proposal. If they do, the solution will be offered and processed completely digitally.

In 2022, the Issuer introduced the Kate Coin. Since the start of 2023, KBC clients have been able to acquire Kate Coins when purchasing certain products or services from it, such as a home loan, home insurance or saving spare change. They can then use the Kate Coins to save money by exchanging them for additional benefits and cashbacks. For instance, KBC clients can exchange Kate Coins when purchasing an investment plan, a prepaid card, personal accident insurance or family insurance and immediately enjoy a cashback. A more recent feature is that Kate Coins can be acquired or spent when purchasing from one of our commercial partners. Clients receive a cashback immediately or after their next purchase with the same partner. The partners themselves determine the conditions and timing of their offer. The Issuer will systematically keep expanding the range of options and the collaboration with partners. In KBC Mobile, clients are able to check out new partners where they can earn money, and in their Kate Coin Wallet they can see how many Kate Coins they have earned and spent with KBC and the various partners.

Over the past few years, the Issuer has thus launched a number of concepts and building blocks such as Digital First, Bank-insurance+, Kate and Kate Coins, which create added value when they interact. The Issuer is now bringing these components together in ‘ecosystems’, in which it will offer its clients a new type of service, supporting them every step of the way in their search for solutions to housing, mobility, energy and other issues, using its own products and services as well as those of our partners and suppliers. This enables its clients to save and earn money in and beyond the traditional banking and insurance environment.

In the Issuer’s financial reporting, the Belgian activities are combined into a single Belgium Business Unit. The results of the Belgium Business Unit essentially comprise the activities of the Issuer, and its Belgian subsidiaries, the most important of which are CBC Banque, KBC Asset Management, KBC Lease Group (Belgium) and KBC Securities.

The KBC Group's aim in Belgium is:

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- We put the client at the heart of all the products and services we develop and at the centre of everything we do. Our focus here is on a 'digital first' approach with a human touch, and investing in the seamless integration of our various distribution channels. We are working on the further digitalisation of our banking, insurance and asset management services and exploiting new technologies and data to provide our clients with more personalised and proactive solutions, when appropriate.
- Our digital assistant 'Kate' features prominently in this regard. Kate allows to help clients save time and earn money in which Kate Coins play a vital role.
- To support these activities, we are also fully engaged in introducing end-to-end straight-through processing into all our commercial processes, making full use of all technological capabilities such as (generative) artificial intelligence. This is how we increase our efficiency, which allows us to invest in a strong network (bank branches, insurance agencies, KBC Live) boasting more expertise.
- We work tirelessly on the ongoing optimisation of our bank-insurance model in Belgium.
- We aim for further growth of bank-insurance at CBC in specific market segments and expansion of our accessibility in Wallonia, again with a strong focus on 'Digital First with a human touch'.
- We collaborate with partners through 'eco-systems' that enable us to offer our clients comprehensive solutions. We are also integrating a range of selected partners into our own mobile app and making our products and services available in the distribution channels of third parties.
- We express our commitment to Belgian society by leading the way in the sustainability revolution. We are making our banking, insurance and asset management products more sustainable to create financial leverage in achieving global climate targets. We aim to be more than a provider of pure bank-insurance services – as a partner in the climate transition, we are working with other partners on developing housing and mobility solutions. We also continue to focus on financial literacy, entrepreneurship and population ageing.

Activities in Central and Eastern Europe

Market position of the bank network in the home countries of Central and Eastern Europe, at the end of 2024		**Czech Republic**	**Slovak Republic**	**Hungary**	**Bulgaria**
Market share (estimates by the Issuer)	Banking products*	20%	12%	11%	19%
	Investment funds	24%	8%	11%	14%
Bank branches	Total	198*	98	193	176

** Average of the share in credits and the share in deposits*

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In the Central and Eastern European region, the Issuer focuses on four home countries, being the Czech Republic, the Slovak Republic, Hungary and Bulgaria. The main Central and Eastern European entities of the Issuer in those home markets are United Bulgarian Bank in Bulgaria, ČSOB in the Slovak Republic, ČSOB in the Czech Republic, and K&H Bank in Hungary.

In its four home countries, the Issuer now caters to roughly 7 million customers, or 9 million including the insurance business (see below). This customer base makes the KBC Group one of the larger financial groups in the Central and Eastern European region.

The Issuer companies focus on providing clients with a broad range of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products and other specialised financial products and services. As is the case in Belgium, the bricks-and-mortar networks in Central and Eastern Europe are supplemented by electronic channels, such as ATMs, telephone and the internet, and the digital assistant "Kate". As regards the latter, , please refer to the previous section on "*Activities in Belgium*".

KBC Group's bank-insurance concept has, over the past few years, been exported to its Central and Eastern European entities. In order to be able to do so, KBC Group has built up a second home market in Central and Eastern Europe in insurance (via KBC Insurance NV). KBC Group has an insurance business in every Central and Eastern European home country: in the Czech Republic, the KBC Group's insurer is ČSOB Pojist'ovňa, in the Slovak Republic it is ČSOB Poist'ovňa, in Hungary it is K&H Insurance and in Bulgaria it is DZI Insurance. Contrary to the situation of KBC Bank Group in Belgium, the KBC Group's insurance companies in Central and Eastern Europe operate not only via tied agents (and bank branches) but also via other distribution channels, such as insurance brokers and multi-agents.

The Issuer’s estimated market share (the average of the share of the lending market and the deposit market, see table above) amounted to 20 % in the Czech Republic, 12% in the Slovak Republic, 11% in Hungary, and 19% in Bulgaria (rounded figures). The Issuer also has a strong position in the investment fund market in Central and Eastern Europe (estimated at 24 % in the Czech Republic, 8% in the Slovak Republic, 11% in Hungary and 14% in Bulgaria).

Recent acquisitions:

In July 2022, KBC Group completed the acquisition of Raiffeisenbank Bulgaria, a universal bank in Bulgaria offering private individuals, SMEs and corporate entities a full range of banking, asset management, leasing and insurance services. In April 2023, UBB and ex-Raiffeisenbank Bulgaria legally merged, which allowed KBC to bolster its position in the Bulgarian banking market even further. The acquisition also created ample opportunity for insurance cross-selling with DZI.

On 15 May 2025, KBC Group reached an agreement to acquire 98.45% of 365.bank in Slovakia based on a total value for 365.bank of 761 million euros. This investment will allow it to further strengthen its position in the Slovak market while closing the gap with the top three players in the banking sector. 365.bank is a retail-focused bank with subsidiaries in asset management and consumer finance and is very complementary to the business of KBC’s existing Slovak subsidiary ČSOB, leading to significant cost, revenue (cross-selling) and funding synergies. KBC will particularly strengthen its reach in retail banking as well as benefit from access to the unique client base and distribution network of 365.bank and its exclusive partnership with Slovak Post. Closure of the deal is subject to regulatory approval and is expected by the end of this year.

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In the Issuer's financial reporting, the Czech activities are separated in a single Czech Republic Business Unit, whereas the activities in the other Central and Eastern European countries are combined into the International Markets Business Unit. The Czech Republic Business Unit hence comprises all Issuer's activities in the Czech Republic, consisting primarily of the activities of the ČSOB group (under the ČSOB Bank, ČSOB Postal Savings Bank, ČSOB Hypotecni banka, Patria and ČSOB Stavební sporitelna brands) The International Markets Business Unit comprises the activities conducted by entities in the other (non-Czech) Central and Eastern European core countries, namely ČSOB in the Slovak Republic, K&H Bank in Hungary and UBB in Bulgaria.

The focus of the KBC Bank Group in the future is the following:

- In relation to the Czech Republic Business Unit:
    - To retain our reference position in banking and insurance services by offering our retail, SME and mid-cap clients a hassle-free, no-frills client experience, both through our digital channels and in person.
    - To further increase the active client base and further strengthen our market position, especially in insurance, investment services and home loans.
    - To cultivate and nurture strong relationships with our clients by offering them 'beyond banking' products and services.
    - To continue the further digitalisation and to introduce new and innovative products and services, including open bank-insurance solutions aimed at boosting the financial well-being of our clients.
    - To use data and AI to offer personalised solutions proactively to our clients, including via Kate, our personalised digital assistant.
    - To concentrate on rolling out straight-through processing and further simplifying our products, our head office, and our distribution model, in order to enable us to operate even more cost-effectively.
    - To further strengthen our corporate culture, with a strong focus on results, our clients, our ability to adapt and on cooperation.
    - To become the reference in advisory services in terms of climate change and sustainable lending and investments. To also express our social engagement by focusing on financial literacy, entrepreneurship, population ageing and cybersecurity.
- In relation to the International Markets Business Unit:
    - The group strategy presents a number of opportunities for all countries in the business unit, viz.:
        - To further develop new and unique 'bank-insurance+' propositions.
        - To continue digitally upgrading our distribution model.
        - To drive up the volume of straight-through and scalable processing.
        - To increase the capacity in relation to data and AI to enable us to proactively offer relevant and personalised solutions.

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- To selectively expand our activities with a view to securing a top-three position in banking as well as in insurance.
- To use data to proactively offer personalised solutions. Our digital assistant Kate, who was launched a couple of years ago, has advanced significantly and in 2025 the innovation will continue at an accelerated pace with the introduction of Kate Coins and Sustainable Mobility Ecospheres.
- To implement a socially responsible approach in all countries, with a particular focus on environmental awareness, financial literacy, entrepreneurship and health. To be a pioneer for sustainability in all countries.

- Country-specific:
  - In Bulgaria, UBB successfully completed the migration of all clients and products of the former Raiffeisen Bank, concluding the technical merger between the two banks. Both UBB and DZI are market leaders and in the top two in each of their targeted client and product segments. Further focus is now on expanding our franchise, promoting our banking and insurance business and on digital innovation.
  - In Hungary we are focussing on vigorous client acquisition for the bank, to become the undisputed leader in the area of innovation, and to substantially expand our insurance activities, primarily through sales at bank branches for life insurance, and both online and via agents, brokers and bank branches for non-life insurance.
  - In Slovakia we aim to maintain our robust growth in strategic products (i.e. current accounts, mortgages, consumer finance, business loans, leasing and insurance), partly through cross-selling to group clients and via digital channels. Other priorities include the sale of funds and increased fee income.

Activities in the rest of the world

A number of companies belonging to the KBC Group are also active in, or have outlets in, countries outside the home markets, among which KBC Bank, which has a network of foreign branches and KBC Bank Ireland (until finalisation of the sale in February 2023). Please also refer to the list of main companies under the section entitled "*Main companies belonging to the Group (as at 31 December 2024)*" above or the full list which is available on www.kbc.com.

KBC Bank Ireland

In February 2022, KBC Bank Ireland sold nearly all of its non-performing mortgage loan portfolio of roughly 1.1 billion euros in a transaction financed by funds managed by CarVal Investors. In October 2021, KBC Bank Ireland confirmed that it had entered into a legally binding agreement with Bank of Ireland relating to the sale of substantially all of KBC Bank Ireland's performing loan assets and its deposit book to Bank of Ireland Group As part of the transaction, the latter also acquired a small non-performing mortgage loan portfolio. The Irish Competition and Consumer Protection Commission (CCPC) approved the transaction in May 2022, and the Irish Minister for Finance gave his approval in early December 2022. The transaction was ultimately finalised in early February 2023. On 1 December 2023, KBC Bank Ireland transferred the vast majority of the remaining assets and liabilities to KBC

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Bank Dublin branch. On 30 April 2024, KBC Bank Ireland (current Exicon DAC) returned its banking licence to the Central Bank of Ireland.

In the KBC Group's financial reporting, KBC Bank Ireland was included in “Group Centre” as of 2022.

Foreign branches of KBC Bank

The foreign branches of KBC Bank are located mainly in Western Europe, Southeast Asia and the U.S. and focus on serving customers that already do business with KBC Bank’s Belgian or Central and Eastern European network.

In the KBC Group's financial reporting, the foreign branches of KBC Bank are part of the Belgium Business Unit.

Competition

All of the Issuer’s operations face competition in the sectors they serve. Depending on the activity, competitor companies include other commercial banks, saving banks, loan institutions, consumer finance companies, investment banks, brokerage firms, specialised finance companies, asset managers, private bankers, investment companies, fintech and e-commerce companies.

In both Belgium and Central and Eastern Europe, the KBC Bank Group has an extensive network of branches and the KBC Bank Group believes most of its companies have strong name brand recognition in their respective markets.

In Belgium, the Issuer is perceived as belonging to the top three (3) financial institutions. For certain products or activities, the Issuer estimates it has a leading position (e.g. in the area of investment funds). The main competitors in Belgium are BNP Paribas Fortis, Belfius and ING, although for certain products, services or markets, other financial institutions may also be important competitors.

In its Central and Eastern European home markets, the Issuer is one of the important financial groups, occupying significant positions in banking. In this respect, the Issuer competes, in each of these countries, against local financial institutions, as well as subsidiaries of other large foreign financial groups (such as Erste Bank, Unicredit and others).

Staff

In 2024, the Issuer had, on average and on a consolidated basis, about 28,000 employees (in full time or equivalent-numbers), the majority of whom were located in Belgium and Central and Eastern Europe. In addition to consultations, at works council meetings and at meetings with union representatives and with other consultative bodies, the Issuer also works closely in other areas with employee associations. There are various collective labour agreements in force.

Risk management

Mainly active in banking and asset management, the Issuer is exposed to a number of typical industry-specific risks such as – but certainly not exclusively – credit risk, market risks, movements in interest rates and exchange rates, currency risk, liquidity risk, operational risk, exposure to emerging markets, changes in regulations and customer litigation as well as the economy in general. Material risk factors affecting the Issuer are mentioned in the section entitled "*Risk Factors*" on page 20 and following of this Base Prospectus.

Risk management in the Group is effected group-wide.

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An overview of the Issuer's risk management approach is set out in the "Risk management" section on pages 34 to 60 of the Issuer's 2024 Annual Report. As set out in the section entitled "*Documents Incorporated by Reference*", the Issuer's 2024 Annual Report is incorporated by reference into this Base Prospectus, except for this "Risk management" section of the report.

More detailed information can be found in KBC Group NV's 2024 Risk Report, available at https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/Results/jvs-2024/risk-report-2024.pdf.cdn.res/last-modified/1744016093346/risk-report-2024.pdf. This document is not incorporated by reference in, and does not form part of, this Base Prospectus, and it has not been scrutinised or approved by the FSMA.

Banking supervision and regulation

Introduction: supervision by the European Central Bank

KBC Bank NV, a credit institution governed by the laws of Belgium, is subject to detailed and comprehensive regulation in Belgium, and is supervised by the European Central Bank (the "ECB"), acting as the supervisory authority for prudential supervision of significant financial institutions. The ECB exercises its prudential supervisory powers by means of application of EU rules and national (Belgian) legislation. The supervisory powers conferred to the ECB include, amongst others, the granting and withdrawal of authorisations to and from credit institutions, the assessment of acquisitions and disposals of qualifying holdings in credit institutions, ensuring compliance with the rules on equity, liquidity, statutory ratios and the carrying out of supervisory reviews (including stress tests) for credit institutions.

Since November 2014, the ECB holds certain supervisory responsibilities which were previously handled by the NBB pursuant to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions ("**Single Supervision Mechanism**" or "**SSM**"). Pursuant to this Regulation, a joint supervisory team has been established for the prudential supervision of the Issuer (and KBC Group NV). This team is composed of staff members from the ECB and from the national supervisory authority (*in casu* the NBB) and working under the coordination of an ECB staff member.

The Financial Services and Markets Authority (the "**FSMA"**), an autonomous public agency, is in charge of the supervision of conduct of business rules for financial institutions and financial market supervision.

EU directives (as implemented through legislation adopted in each Member State, including Belgium) and regulations have had and will continue to have a significant impact on the regulation of the banking business in the EU. The general objective of these EU directives and regulations is to promote the realisation of a unified internal market for banking services and to improve standards of prudential supervision and market efficiency through harmonisation of core regulatory standards and mutual recognition among EU Member States of regulatory supervision and, in particular, licensing.

Supervision and regulation in Belgium

The banking regime in Belgium is governed by the Belgian law of 25 April 2014 on the legal status and supervision of credit institutions (the "**Banking Law"**). The Banking Law implements various EU directives, including, without limitation:

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(i) Directive EU No 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended or replaced from time to time (the "**CRD**") and, where applicable, Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended or replaced from time to time (the "**CRR**"), implementing the revised regulatory framework of Basel III in the European Union; and

(ii) Directive (EU) No 2014/59 of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms ("**BRRD**") by setting up a new recovery and resolution regime for credit institutions which introduced certain tools and powers with a view to addressing banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses;

The CRR and the CRD apply in Belgium since 1 January 2014, subject to certain requirements being amended and/or phased in over a number of years, as set out therein. BRRD has formally been transposed into Belgian law by amending the Banking Law with effect from 16 July 2016 (subject to certain requirements being amended from time to time).

The Basel IV post-financial crisis reforms have been implemented into the CRR and the CRD via the 2021 EU Banking Package. The transposition was finalized in June 2024, via the publication in the EU Official Journal of Regulation (EU) 2024/1623 amending CRR and Directive (EU) 2024/1619 amending CRD. The new CRR rules apply from 1 January 2025, with a phase-in period during which the requirements will be gradually increased through 2030 (and 2032 for certain requirements) and the new CRD rules will now need to be transposed into national law and apply by January 2026.

The Banking Law sets forth the conditions under which credit institutions may operate in Belgium and defines the regulatory and supervisory powers of the ECB and the NBB. The main objective of the Banking Law is to protect public savings and the stability of the Belgian banking system in general.

Supervision of credit institutions

All Belgian credit institutions must obtain a license from the ECB before they may commence operations. In order to obtain a license and maintain it, each credit institution must fulfil numerous conditions, including certain minimum paid-up capital requirements.

In addition, any shareholder acquiring, individually or acting in concert with another person or persons, a "qualifying holding" in the credit institution (i.e. a direct or indirect holding which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that institution) must be of "fit and proper" character to ensure proper and prudent management of the credit institution. Prior notification to the NBB and no indication of opposition by the ECB is required each time a person decides to acquire a qualifying holding in a credit institution or to further increase such qualifying holding as a result of which the proportion of the voting rights or of the capital held would reach or exceed 20%, 30% or 50%, or so that the credit institution would become its subsidiary. If the ECB considers that the participation of a shareholder in a credit institution jeopardises its sound and prudent management, it may suspend the voting rights attached to such participation and, if necessary, request that the shareholder transfers to a third party its participation in the credit institution.

Furthermore, a shareholder who decides to dispose, directly or indirectly, of a qualifying holding or to reduce it so that the proportion of the voting rights or of the capital held would fall below 20%, 30% or 50% or so that the credit institution would cease to be its subsidiary, must notify the NBB thereof.

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The Belgian credit institution itself is obliged to notify the NBB of any such transfer when it becomes aware thereof.

Moreover, every shareholder acquiring a holding or increasing its holding (directly or indirectly, individually or acting in concert with third parties) to 5% or more of the capital of the voting rights without acquiring a qualifying holding, must notify the NBB thereof within ten working days. The same shall apply to a shareholder who no longer holds, directly or indirectly, more than 5% of the voting rights or capital in a credit institution.

The above-mentioned obligations are also triggered when a threshold is crossed due to a situation other than an acquisition or a transfer.

The Belgian Banking Law requires credit institutions to provide detailed periodic financial information to the ECB and, under certain circumstances, the Belgian FSMA.

The ECB also supervises the enforcement of laws and regulations with respect to the accounting principles applicable to credit institutions.

The ECB sets the minimum capital adequacy ratios applicable to credit institutions. The ECB may also set other ratios, for example, with respect to the liquidity and gearing of credit institutions. It also sets the standards regarding solvency, liquidity, risk concentration and other limitations applicable to credit institutions and the publication of this information. The NBB may in addition impose capital requirements for capital buffers (including countercyclical buffer rates and any other measures aimed at addressing systemic or macro-prudential risks).

In order to exercise its prudential supervision, the ECB may require that all information with respect to the organisation, the functioning, the position and the transactions of a credit institution be provided to it. Further, the ECB supervises, among other things, the management structure, the administrative organisation, the accounting and the internal control mechanisms of a credit institution. In addition, the ECB may conduct on-site inspections (with or without the assistance of NBB staff).

The comprehensive supervision of credit institutions is also exercised through statutory auditors who cooperate with the supervisor in its prudential supervision. A credit institution selects its statutory auditor from the list of auditors or audit firms accredited by the NBB.

Within the context of the European System of Central Banks, the NBB issues certain recommendations regarding monetary controls. The Issuer needs to comply with many of these requirements on a consolidated basis.

The Belgian Banking Law has introduced a prohibition in principle on proprietary trading as from 1 January 2015. However, certain proprietary trading activities are excluded from this prohibition. Permitted proprietary trading activities (including certified market-making, hedging, treasury management, and long-term investments) are capped, and these types of activities must comply with strict requirements on reporting, internal governance and risk management.

Bank governance

The Banking Law also puts a lot of emphasis on the solid and efficient organisation of credit institutions and introduces to that effect a dual governance structure at management level, specialised advisory committees within the Board of Directors (Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee), independent control functions, and strict remuneration

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policies (including limits on the amount of variable remuneration, the form and timing for vesting and payment of variable remuneration, as well as claw-back mechanics).

The Belgian Banking Law makes a fundamental distinction between the management of banking activities, which is within the competence of the Executive Committee, and the supervision of management and the definition of the credit institution's general and risk policy, which is entrusted to the Board of Directors. In accordance with the Banking Law, the Issuer has an Executive Committee of which each member is also a member of the Board of Directors.

Pursuant to the Banking Law, the members of the Executive Committee and the Board of Directors need to permanently have the required professional reliability and appropriate experience. The same goes for the responsible persons of the independent control functions.

The NBB Governance Manual for the Banking Sector (the "Governance Manual") contains recommendations to assure the suitability of shareholders, management and independent control functions and the appropriate organisation of the business.

As required by the Banking Law and the Governance Manual, KBC Group NV has drafted a Group Internal Governance Memorandum (the "Governance Memorandum"), which sets out the corporate governance policy applying to KBC Group NV and its subsidiaries and of which the governance memorandum of the Issuer forms part. The corporate governance policy of a credit institution must meet the principles set out in the law and the Governance Manual. The most recent version of the Governance Memorandum was approved on 19 December 2024 by the Board of Directors of KBC Group NV, KBC Bank NV and KBC Insurance NV.

The Issuer also has a Corporate Governance Charter which is published on www.kbc.com. This document is not incorporated by reference and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the FSMA.

Solvency supervision

Capital requirements and capital adequacy ratios are provided for in the CRR, transposing the Basel III regulation into European law. The CRR requires that credit institutions must comply with several minimum solvency ratios. These ratios are defined as Common Equity Tier 1 ("**CET1**"), Tier 1 capital and Total Capital divided by risk weighted assets. Risk weighted assets for credit risk are the sum of all assets and off-balance sheet items weighted according to the degree of credit risk inherent in them. The solvency ratios also take into account market risk and counterparty risk with respect to the bank's trading book (including interest rate and foreign currency exposure), operational risk, credit valuation adjustment risk and settlement risk in the calculation of the risk weighted assets. On top of the capital requirements defined by the solvency ratios, the regulation imposes a combined buffer requirement (see below).

Solvency is also limited by the leverage ratio, which compares Tier 1 capital to the total exposure measure (non-risk weighted).

The minimum solvency ratios required under CRD are 4.5% for the CET1 ratio, 6.0% for the tier-1 capital ratio and 8.0% for the total capital ratio (i.e., the pillar 1 minimum ratios). As a result of its supervisory review and evaluation process (**SREP**) or its examination of internal approaches, the competent supervisory authority (in the Issuer's case, the ECB):

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- can require the Issuer to maintain higher minimum ratios (i.e., the pillar 2 requirements which in 2016 have been split by the ECB in a pillar 2 requirement ("**P2R**") and a pillar 2 guidance ("**P2G**", as further discussed below)) because, for instance, not all risks are properly reflected in the regulatory pillar 1 calculations;
- can take other measures such as imposing the reservation of distributable profits in whole or in part, requiring that variable remuneration be limited to a percentage of the profits and requiring the institution to limit the risk associated with certain activities or products or with its organisation, where appropriate by imposing the total or partial transfer of its business or network.

On top of this, a number of additional buffers have to be put in place, including a capital conservation buffer of 2.5%, a buffer for systemically important banks ("**O-SII buffer**", to be determined by the national competent authority), a systemic risk buffer to address systemic risks of a long-term, non-cyclical nature (determined by the national competent authority), and a countercyclical buffer (between 0% and 2.5%, likewise to be determined by the national competent authority). These buffers constitute the "combined buffer requirements" applicable to the Issuer.

In addition to the pillar 1 requirement, the P2R and the combined buffer requirements, the ECB can also set a "Pillar 2" capital guidance ("P2G"). The Issuer is expected to meet the P2G with CET1 capital on top of the level of binding capital requirements. P2G is not directly binding and a failure to meet it does not automatically trigger legal action, even though the ECB expects credit institutions or holding companies to meet the P2G. However, the CRD provides that when an institution repeatedly fails to meet the P2G, the competent authority should be entitled to take supervisory measures and, where appropriate, to impose additional own funds requirements.

The following table provides an overview of the CET1 ratio requirement at the level of the Issuer as at 31 December 2024:

KBC Bank (consolidated)	Actual	Fully loaded
Pillar 1 minimum requirement (P1 min)	4.50%	4.50%
Pillar 2 requirement (P2R)	0.98%	0.98%
Conservation buffer	2.50%	2.50%
O-SII buffer	1.50%	1.50%
Systemic risk buffer	0.15%	0.15%
Countercyclical buffer*	1.13%	1.16%
Overall capital requirement	10.76%	10.80%
CET1 requirement for MDA**	11.06%	11.09%

** The fully loaded countercyclical buffer of the Issuer takes into account all known buffer rates of the national authorities as at 31-12-2024.*
*** Maximum Distributable Amount under CRD. Shortfall re. AT1 and T2 pillar 1 and pillar 2 buckets is satisfied by CET1.*

The Issuer clearly exceeds these targets: on 31 December 2024, the fully loaded CET1 ratio for the Issuer came to 14.4% (14.7% at 31 December 2023) which represented a capital buffer of EUR 3,686 million relative to the fully loaded CET1 requirement for MDA of 11.09%.

The leverage ratio (Basel III, fully loaded) at 31 December 2024 stood at 5.0% (5.1% at 31 December 2023) relative to the minimum requirement of 3%.The payment of dividends by Belgian credit institutions is not limited by Belgian banking regulations, except indirectly through capital adequacy and solvency requirements when capital ratios fall below certain thresholds. The pay-out is further limited by the general provisions of Belgian company law.

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For completeness, in the course of 2024 the Issuer paid a final dividend regarding 2023 of EUR 806 million and an interim dividend regarding 2024 of EUR 975 million to its parent company KBC Group NV (intragroup payments). A final dividend regarding 2024 of EUR 498 million was paid by the Issuer to its parent company KBC Group NV in May 2025.

Large exposure supervision

European regulations ensure the solvency of credit institutions by imposing limits on the concentration of risk in order to limit the impact of failure on the part of a large debtor. For this purpose, credit institutions must limit the amount of risk exposure to any single counterparty to 25% of the total Tier 1 capital. European regulations also require that the credit institutions establish procedures to contain concentrations on economic activity sectors and geographic areas.

4. Anti-Money laundering

The legal framework regarding the prevention of money laundering applicable in Belgium consists of (i) the Belgian law of 18 September 2017 on the prevention of money laundering and terrorist financing and on the limitation of the use of cash (the "**AML Law**"), (ii) Regulation (EU) No 1624/2024 of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, (iii) Regulation (EU) No 1620/2024 of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and (iv) Directive (EU) No 2024/1640 of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. This directive must be transposed into national law by 10 July 2027. This legislation contains a preventive system imposing a number of obligations in relation to money laundering and the financing of terrorism. These obligations are related, among other things, to the identification of the client, special attention for unusual transactions, internal reporting, processing and compliance mechanisms with the appointment of a compliance officer, and employee training requirements. Member States have to set up a central register which identifies the ultimate beneficial owner of companies and other legal entities. A risk-based approach assumes that the risks of money laundering and terrorism financing may take various forms. Accordingly, businesses/individuals subject to the AML Law must proceed to a global assessment of the risks they are facing and formulate efficient and adequate measures. Enhanced customer due diligence measures are required when dealing with politically exposed people, which encompasses not only national persons who are or who have been entrusted with prominent public functions residing abroad, but also those residing in the country. Such measures are also required when dealing with natural persons or legal entities established in high-risk third countries. Payments/donations in cash are capped at EUR 3,000.

When, after investigation, a credit or financial institution suspects money laundering to be the purpose of a transaction, it must promptly notify an independent administrative authority, the Financial Intelligence Unit. This Unit is designated to receive reports on suspicious transactions, to investigate them and, if necessary, to report to the criminal prosecutors to initiate proceedings. The NBB has issued guidelines for credit and financial institutions and supervises their compliance with the legislation. Belgian criminal law specifically addresses criminal offences of money-laundering (Article 505, subsection 1, 2°-4° of the Criminal Code) and sanctions them with a jail term of a minimum of fifteen days and a maximum of five years and/or a fine of a minimum of EUR 26 and a maximum of EUR 100,000 (to be multiplied by 8) or, for legal entities, a fine of a minimum of EUR 500 and a maximum of EUR 200,000 (to be increased with the additional penalty or, in other words, to be multiplied by 8).

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5. Consolidated supervision – supplementary supervision

The Issuer is subject to consolidated supervision by the ECB on the basis of the consolidated financial situation of KBC Group NV, which covers, among other things, solvency as described above, pursuant to Articles 165 and following of the Banking Law. As a subsidiary of a Belgian mixed financial holding company (KBC Group NV) and part of a financial conglomerate, the Issuer is also subject to the supplementary supervision by the ECB, according to Directive 2011/89/EU of 16 November 2011 amending Directives 98/78/EC, 2002/87/EC, 2006/48/EC and 2009/138/EC as regards the supplementary supervision of financial entities in a financial conglomerate (implemented in Articles 185 and following of the Banking Law). The supplementary supervision relates to, among other things, solvency, risk concentration and intra-group transactions and to enhanced reporting obligations.

The consolidated supervision and the supplementary supervision will be aligned as much as possible, as described in Article 170 of the Banking Law.

6. Bank recovery and resolution

The Banking Law establishes a range of instruments to tackle potential crises of credit institutions at three stages:

(i) Preparation and prevention

KBC Group NV has to draw up a group recovery plan, setting out the measures which would be taken to stabilise the group as a whole or each credit institution in the group if it is in a difficult financial situation, and which seek to address or remove the causes of difficulties and to restore the financial situation of the group or credit institution, having regard also to the financial situation of other group entities. This group recovery plan must, in principle, be updated at least annually or after a change to the legal or organisational structure of the institution, its business or its financial situation, which could have a material effect on, or necessitates a change to, the group recovery plan. In its review of the recovery plan, the ECB pays particular attention to the appropriateness of the capital and financing structure of the credit institutions, of the group, and of group entities in relation to the degree of complexity of their organisational structure and their risk profile.

The SRB will have to prepare a resolution plan for each significant Belgian credit institution, laying out the actions it may take if it were to meet the conditions for resolution. The resolution college of the NBB has the same powers with regard to the non-significant Belgian credit institutions. If the SRB or the Resolution College identifies material impediments to resolvability during the course of this planning process, it can require a credit institution to take appropriate measures, including changes to corporate and legal structures.

(ii) Early intervention

The ECB/NBB disposes of a set of powers to intervene if a credit institution faces financial distress (e.g. when a credit institution is not operating in accordance with the provisions of the Banking Law), but before its financial situation deteriorates irreparably. These powers include the ability to dismiss the management and appoint a special commissioner, to convene a meeting of shareholders to adopt urgent reforms, to suspend or prohibit all or part of the credit institution's activities (including a partial or complete suspension of the execution of current contracts), to order the disposal of all or part of the credit institution's shareholdings or the transfer of all or part of the net worth, and finally, to revoke the license of the credit institution.

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(iii) Resolution

Pursuant to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Bank Resolution Fund and amending the Regulation (EU) No 1093/2010 of the European Parliament and of the Council (the Single Resolution Mechanism or SRM), as amended by Regulation (EU) 2019/877 of 20 May 2019, and as may be further amended from time to time, the Single Resolution Mechanism entered into force on 19 August 2014 and applies to credit institutions which fall under the supervision of the ECB. It established a Single Resolution Board (SRB), a resolution decision-making authority replacing national resolution authorities (such as the Resolution College of the NBB) for resolution decisions with regard to significant credit institutions. The SRB is responsible since 1 January 2016 of vetting resolution plans and carrying out any resolution in cooperation with the national resolution authorities (the SRB together with the resolution college of the NBB is hereinafter referred to as the Resolution Authority).

The Issuer and KBC Group NV fall within the scope of the Single Resolution Mechanism.

The resolution authority can decide to take resolution measures if it considers that all of the following circumstances are present: (i) the determination has been made by the resolution authority, after consulting the competent authority, that a credit institution is failing or is likely to fail, (ii) there is no reasonable prospect that any alternative private sector measures or supervisory action can be taken to prevent the failure of the institution, and (iii) resolving the credit institution is necessary from a public interest perspective. The resolution tools are: (i) the sale of (a part of) the assets/liabilities or the shares of the credit institution without the consent of shareholders, (ii) the transfer of business to a temporary structure ("bridge bank"), (iii) the separation of clean and toxic assets and the transfer of toxic assets to an asset management vehicle and (iv) bail-in.

The fourth resolution tool, i.e. the bail-in tool, entered into force on 1 January 2016. It was implemented into Belgian law through the Belgian Royal Decree of 18 December 2015 implementing the Banking Law. Bail-in is a mechanism to write down the eligible liabilities (subordinated debt, senior debt and eligible deposits) or to convert debt into equity, as a means of restoring the institution's capital position. The resolution authority is also empowered (and in certain circumstances required) to write down or convert capital instruments (such as Common Equity Tier 1-, Additional Tier 1- and Tier 2-instruments) and eligible liabilities, before or together with the use of any resolution tools, if it determines that a credit institution becomes non-viable, that the conditions for the exercise of the resolution powers are fulfilled and/or that a credit institution has asked for public support.

The applicability of the resolution tools and measures to credit institutions that are part of a cross-border group are regulated by the Belgian Royal Decree of 26 December 2015 amending the Banking Law, which entered into force on 1 January 2016.

7. Material contracts

No member of the KBC Bank Group has entered into any material contracts outside the ordinary course of its business which could result in any member of the KBC Bank Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Covered Bonds.

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8. Recent events

On 15 May 2025, KBC Group, the parent company of KBC Bank, issued its first quarter's results. Please refer to KBC Group's Q1 2025 quarterly report available at https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/1q2025/1q2025-quarterly-report-en.pdf.

On 15 May 2025, KBC Group reached an agreement to acquire 98.45% of 365.bank in Slovakia based on a total value for 365.bank of 761 million euros. This investment will allow us to further strengthen our position in the Slovak market while closing the gap with the top three players in the banking sector. 365.bank is a retail-focused bank with subsidiaries in asset management and consumer finance and is very complementary to the business of KBC's existing Slovak subsidiary ČSOB, leading to significant cost, revenue (cross-selling) and funding synergies. KBC will particularly strengthen its reach in retail banking as well as benefit from access to the unique client base and distribution network of 365.bank and its exclusive partnership with Slovak Post. Closure of the deal is subject to regulatory approval and is expected by the end of this year (2025). The acquisition is expected to have a limited impact on the Group's capital position, with an estimated reduction of around 50 basis points of the KBC Group's unfloored fully loaded CET1 ratio.

9. Trend information

The year 2024 was marked by pronounced growth divergence globally. The US had the most robust growth dynamics, supported by private consumption (thanks to the robust labour market) and government spending. By contrast, in the euro area, consumer caution and limited fiscal stimulus caused weak growth. In particular, the German economy remained in the grip of stagnation due to major structural competitiveness problems and paralysis in political decision-making. China, meanwhile, continued to face the structural problem of overcapacity and deflationary trends, despite a new stimulus programme.

The disinflationary trend in the US and the euro area remained intact in 2024, despite persistent core inflation driven by rising service prices. Against the backdrop, the ECB was the first to start easing its policy rates, followed by the Federal Reserve.

For 2025, growth and inflation expectations continue to be clouded by large-scale trade disputes, geopolitical tensions and the high degree of unpredictability they generate. Trade policies of president Trump had already begun impacting the US economy in the first quarter of 2025, as growth shrank by 0.1%, a sharp reversal from the high growth figures of the previous year. Net exports made a strong negative contribution, partly offset by higher inventory growth and rising equipment spending. Consumer spending, however, contributed only weakly. Going forward, higher tariffs and ongoing policy uncertainty are expected to weigh on growth.

Euro area GDP positively surprised in the first quarter of 2025, though the strong increase was partly driven by a strong increase in Irish growth. That said, the US trade war is expected to weigh on growth during most of 2025. Fiscal stimulus in Germany – resulting from an unprecedented easing of the constitutional debt brake for government spending – is expected to improve the growth outlook, but only gradually from the second half of 2025 onwards at the earliest, and mostly in the years 2026-2027. The Chinese economy continues to face tough times, given the trade war and structural domestic challenges.

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Weak growth prospects and elevated inflation expectations are placing the Federal Reserve's dual mandate under pressure. The Federal Reserve is likely to proceed cautiously on the path of monetary easing. The ECB does not face the same policy dilemma as the Federal Reserve, as both the growth and inflation outlook in the euro area are forecasted to decline in 2025. Hence, the policy rate is expected to be brought to the lower part of the neutral zone in the course of 2025.

Since early 2025, bond yields have been fluctuating between 4.00% and 4.80% for the 10-year US government bond yield and between 2.35% and 2.6% (with a temporary peak of 2.9% immediately after the easing of the constitutional debt brake in March 2025) for the 10-year German Bund. Both yields are forecasted to fluctuate around their May 2025 levels of 4.35% and 2.60%, respectively, for the rest of 2025.

10. Litigation

This section sets out material litigation to which the Issuer or any of its companies (or certain individuals in their capacity as current or former employees or officers of the Issuer or any of its companies) are party. It describes all claims, quantified or not, that could lead to the impairment of the company's reputation or to a sanction by an external regulator or governmental authority, or that could present a risk of criminal conviction for the company, the members of the board or the management.

Although the outcome of these matters is uncertain and some of the claims concern relatively substantial amounts in damages, the management does not believe that the liabilities arising from these claims will adversely affect the Issuer's consolidated financial position or results, given the provisions that, where necessary, have been set aside for these disputes.

Lazare Kaplan International Inc.

Lazare Kaplan International Inc. is a U.S. based diamond company ("LKI"). Lazare Kaplan Belgium NV is LKI's Belgian affiliate ("LKB"). LKI and LKB together are hereinafter referred to as "LK". The merger between the Issuer and Antwerpse Diamantbank NV ("ADB") on 1 July 2015 entails that the Issuer is now a party to the proceedings below, both in its own name and in its capacity as legal successor to ADB. However, for the sake of clarity, further reference is made to ADB on the one hand and the Issuer on the other hand as they existed at the time of the facts described.

Fact summary

Since 2008, LKB has been involved in a serious dispute with its former business partners, DD Manufacturing NV and KT Collection BVBA ("Daleyot"), Antwerp based diamond companies belonging to Mr. Erez Daleyot. This dispute relates to a joint venture LK and Daleyot set up in Dubai (called "Gulfdiam").

LKB and Daleyot became entangled in a complex litigation in Belgium, each claiming that the other party is their debtor. Daleyot initiated proceedings before the Commercial Court of Antwerp for payment of commercial invoices for an amount of (initially) approximately USD 9 million. LKB launched separate proceedings for payment of commercial invoices for (initially) an amount of approximately USD 38 million.

At the end of 2009, ADB terminated LK's credit facilities. After LK failed to repay the amount outstanding of approximately USD 45 million in principal, ADB started proceedings before the Commercial Court of Antwerp, section Antwerp for the recovery of said amount. In a bid to prevent having to pay back the amount owed, LK in turn initiated several legal proceedings against ADB and/or

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the Issuer in Belgium and the USA. These proceedings, which are summarised below, relate to, inter alia, the dispute between ADB and LKI with regard to the termination of the credit facility and the recovery of all the monies LKI owes under the terminated credit facility as well as allegations that LK was deprived out of circa USD 140 million by DD Manufacturing and other Daleyot entities in cooperation with ADB.

Overview Legal Proceedings

(A). Belgian proceedings (overview per court entity)

A.1. Company Court of Antwerp, section Antwerp

On 16 March 2010, proceedings were initiated by ADB against LKI in order to recover the monies owed to it under the terminated credit facility (approximately USD 45 million in principal). LKB voluntarily intervened in this proceeding and claimed an amount of USD 350 million from ADB. LKI launched a counterclaim of USD 500 million against ADB (from which it claims any amount awarded to LKB must be deducted).

LKI and /or LKB started numerous satellite proceedings with the sole aim to delay the decision of the Company Court of Antwerp, section Antwerp regarding ADB's recovery claim. (see also proceedings described described below.).

Numerous times LKI and/or LKB were convicted for reckless and vexatious legal actions and were ordered to pay the Issuer in damages for a total amount of EUR 495,000 and legal expenses (including the legal representation costs) of EUR 204,015.51 (including the amounts granted by the decisions described below).

All decisions (45) regarding these proceedings rejected LKI and /or LKB's claims / legal actions. Only three decisions were rendered in favour of LKI. The first was a decision of the United States Court of Appeals for the Second Circuit in 2013 whereby the RICO case was reversed and remanded back to the District Court on legal technical grounds. The second decision was the ruling of Court of Cassation dated 19 December 2019, which only partially annulled the Antwerp Court of Appeal decision of 13 December 2018 regarding the lack of reasoning in relation to the order of LKI and LKB to pay damages the Issuer for vexatious reckless proceedings. The case was only sent to the Brussel Court of Appeal on this aspect. The third decision was the ruling of the Court of Cassation dated 25 January 2021 annulling the decision of the Antwerp Court of Appeals dated 28 February 2019 but only on technical legal grounds (see point A.3. below).

As at the date of this Base Prospectus, after almost fifteen years of litigation the Company Court of Antwerp, section Antwerp has still not been able to decide on the merits of the case. On 6 October 2020, the Company Court of Antwerp ordered a briefing schedule inviting parties to take a position on the procedural objections invoked by LK regarding the handling of KBC Bank's claim by the Court.

On 3 June 2021, the Company Court of Antwerp, section Antwerp declared that it has jurisdiction to rule on all claims and dismissed the procedural objections invoked by LK. A court hearing was set for 8 September 2022.

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LKB and LKI lodged separate appeals against the decision of 3 June 2021. The Antwerp Court of Appeal merged the two appeals. Both these cases were set for hearing at 15 June 2023. However, the day before, LKB filed two petitions for withdrawal. Thereupon, the Court adjourned both these cases to the hearing of 30 November 2023.

By two judgments dated 19 October 2023, the Court of Cassation dismissed the aforementioned petitions for withdrawal and ordered LKB for the two applications each to pay 10,000 euros in damages for vexatious reckless litigation.

On 8 February 2024 the Antwerp Court of Appeal rendered an interlocutory judgment deciding to suspend the proceedings pending the outcome of the criminal inquiries

A.2. Company Court of Antwerp, section Antwerp

On 28 July 2014, LK launched proceedings against ADB and certain Daleyot entities. This claim is aimed at having certain transactions of the Daleyot entities declared null and void or at least not opposable against LK.

LK also filed a damage claim against ADB for a provisional amount of USD 60 million based on the alleged third party complicity of ADB. This case is still pending. The court postponed the case sine die.

A.3. Company Court of Antwerp, section Antwerp

On 10 December 2014, LKB filed a proceeding against ADB and the Issuer claiming an amount of approximately USD 77 million, based on the allegedly wrongful grant and maintenance of credit facilities by ADB and the Issuer to the Daleyot entities. In its last court brief LK claims an additional amount of approximately USD 5 million.

By decision of 7 February 2017, the Commercial Court of Antwerp, section Antwerp (now Company Court of Antwerp, section Antwerp) dismissed LKB's claim. Moreover, the Court decided that the proceedings initiated by LKB were reckless and vexatious and ordered LKB to pay EUR 250,000 in damages, as well as the maximum legal representation cost of EUR 72,000.

LKB appealed against the decision of 7 February 2017. On 28 February 2019, the Antwerp Court of Appeals dismissed LKB's appeal. LKB was ordered to pay the legal representation cost for the appeal proceedings of EUR 18,000. On 18 June 2019 LKB initiated proceedings before the Court of Cassation against the decision of the Antwerp Court of Appeals dated 28 February 2019. On 25 January 2021, the Court of Cassation annulled the decision of the Antwerp Court of Appeals, but only on technical legal grounds relating to the Court of Appeals' assessment of the limitation period for LKB's liability claims. The case is sent to the Ghent Court of Appeals.

LKI – which was not a party to the first instance proceedings – commenced third-party opposition proceedings against the same decision with the Commercial Court (now Company Court). By decision of 7 May 2019, the Company Court dismissed the third- party opposition proceedings initiated by LKI. The Court ordered LKI to pay the legal representation cost of EUR 1,440.

A.4. Criminal complaint

On 13 October 2016, LK filed a criminal complaint with the Investigating Magistrate at the Dutch speaking Court of First Instance of Brussels against the Issuer. On 9 April 2019, LK filed an additional complaint with the same Investigation Magistrate against KBC Bank NV and certain of its (former) employees. The criminal complaints are based, inter alia, on: embezzlement, theft and money-

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laundering. On 29 September 2021, KBC Bank received notification that the chambers section of the Criminal Court of Brussels will decide on the closure of the criminal investigation and on the regulation of procedure (either dismissal of charges or referral to the criminal court). On 16 November 2021 the chambers section of the Criminal Court decided to postpone indefinitely the proceedings because of LKI and LKB's request for additional investigation. On 16 December 2021, the Investigating Magistrate denied the request, except for one investigative measure. LKI and LKB appealed this decision. On 22 February 2024, the chamber for indictments rejected the LKI and LKB's appeal against the decision of the Investigation Magistrate of 16 December 2021. On 20 August 2024, pleadings were held before the chambers section of the Criminal Court of Brussels on the closure of the criminal investigation and dismissal or referral to the Criminal Court of Brussels. On 17 September 2024, the chambers section decided to postpone the proceedings indefinitely because certain electronic documents in the criminal file could not be accessed.

A.5. Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff

On 6 October 2011, Irving H. Picard, trustee for the substantively consolidated SIPA (Securities Investor Protection Corporation Act) liquidation of Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff, sued KBC Investments Ltd (a wholly-owned subsidiary of KBC Bank) before the bankruptcy court in New York to recover approximately USD 110,000,000 worth of transfers made to KBC entities. The basis for this claim were the subsequent transfers that KBC Investments Ltd had received from Harley International, a Madoff feeder fund established under the laws of the Cayman Islands. This claim is one of a whole set made by the trustee against several banks, hedge funds, feeder funds and investors. In addition to the issues addressed by the district court, briefings were held on the applicability of the Bankruptcy Code's 'safe harbor' and 'good defenses' rules to subsequent transferees (as is the case for KBC Investments Ltd). KBC Investments Ltd, together with numerous other defendants, filed motions for dismissal. District court Judge Jed Rakoff has made several intermediate rulings in this matter, the most important of which are the rulings on extraterritoriality and good faith defences.

On 27 April 2014, Judge Rakoff issued an opinion and order regarding the 'good faith' standard and pleading burden to be applied in the Picard/SIPA proceeding based on sections 548(b) and 559(b) of the Bankruptcy Code. As such, the burden of proof that lies on Picard/SIPA is that KBC Investments Ltd should have been aware of the fraud perpetrated by Madoff. On 7 July 2014, Judge Rakoff ruled that Picard/SIPA's reliance on section 550(a) does not allow for the recovery of subsequent transfers received abroad by a foreign transferee from a foreign transferor (as is the case for KBC Investments Ltd.). Therefore, the trustee's recovery claims have been dismissed to the extent that they seek to recover purely foreign transfers. In June 2015, the trustee filed a petition against KBC Investments Ltd to overturn the ruling that the claim fails on extraterritoriality grounds. In this petition, the trustee also amended the original claim including the sum sought. The amount has been increased to USD 196 million.

On 21 November 2016, Judge Bernstein issued a memorandum decision regarding claims to recover foreign subsequent transfers, including the transfers which the trustee seeks to recover from KBC Investments Ltd. In this memorandum decision, Judge Bernstein concluded that the trustee's claims based on foreign transfers should be dismissed out of concern for international comity and ordered a dismissal of the action against KBC Investments Ltd. and on 3 March 2017, the Bankruptcy Court issued an appealable order denying the Madoff Trustee's request for leave to amend his Complaint and dismissing the Complaint. On 16 March 2017 the trustee Picard filed an appeal of dismissal, on 27

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September 2017 the Second Circuit granted trustee Picard's petition for a direct appeal, on 10 January 2018 trustee Picard filed his opening brief in appeal to Second Circuit. Briefing in the appeal was completed on 8 May 2018, and the Second Circuit held oral argument on 16 November 2018.

On 28 February 2019, the Second Circuit reversed the Bankruptcy Court's dismissal of the actions against KBC Investments Ltd on extraterritoriality and international comity grounds. The action against KBC Investments Ltd has therefore been remanded back to the Bankruptcy Court for further proceedings.

In April 2019 a request for rehearing was denied.

On 30 August 2019, a petition for writ of certiorari was filed with the U.S. Supreme Court to consider the appeal and reverse the Second Circuit decision by the joint defence group.

On 10 December 2019, the U.S. Supreme Court entered a brief order inviting the U.S. Solicitor General to file a brief expressing the views of the United States Government.

On 10 April 2020, the United States Solicitor General filed a brief recommending that the Supreme Court deny the Madoff defendants' petition for a writ of certiorari.

On 2 June 2020, the U.S. Supreme Court denied the petition. As a consequence, the merits of the case will be handled by the Bankruptcy Court.

On 1 August 2022, the Bankruptcy Court judge issued a stipulation and order regarding the filing of an amended complaint and subsequent scheduling of proceedings. As a result, the Trustee amended his complaint on August 5, 2022 by reducing his claim to U.S.$86,000,000, consisting of subsequent transfers received by KBC Investments Ltd from Harley (a feeder fund).

On 18 November 2022, KBC filed a motion to dismiss the amended complaint for lack of specific jurisdiction of the US court.

On 26 April 2023, the court rejected this jurisdictional exception. The proceedings on the merits therefore continued. On 28 June 2023, KBC filed an answer to the amended complaint. A fact-finding is ongoing until 22 September 2025. Although the burden of proof has been increased, KBC still believes it has good and credible defences, including demonstrating its good faith. The proceedings may continue for several years.

11. Financial Information of the Issuer

Financial statements

The Issuer's 2024 Annual Report and the Issuer's 2023 Annual Report contain:

- the Issuer's audited consolidated financial statements drawn up in accordance with International Financial Reporting Standards ("**IFRS**") for the last two financial years (2024 and 2023); and
- the Issuer's audited non-consolidated financial statements drawn up in accordance with Belgian Generally Accepted Accounting Principles ("**GAAP**") for the last two financial years (2024 and 2023).

The Issuer's 2024 Annual Report and the Issuer's 2023 Annual Report are incorporated by reference into this Base Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

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Audit and review by the Issuer's statutory auditors

PricewaterhouseCoopers Bedrijfsrevisoren BV (e*rkend revisor/réviseur agréé*), represented by Damien Walgrave and Jeroen Bockaert, with offices at Culliganlaan 5, 1831 Diegem, Belgium ("**PwC**"), has been appointed as auditor of the Issuer for the financial years 2016-2018 and this appointment has been extended for the financial years 2019-2024. The financial statements of the Issuer have been audited in accordance with International Standards on Auditing by PwC for the financial years ended 31 December 2024 and 31 December 2023 and resulted in an unqualified audit opinion.

The report of the Issuer's auditor on (i) the audited consolidated annual financial statements of the Issuer and its consolidated subsidiaries for the financial years ended 31 December 2024 and 31 December 2023 and (ii) the audited non-consolidated annual financial statements of the Issuer for the financial years ended 31 December 2024 and 31 December 2023 are incorporated by reference in this Base Prospectus (as set out in the section entitled "*Documents Incorporated by Reference*"), with the consent of PwC.

The annual General Meeting of Shareholders of the Issuer held on 30 April 2025 has appointed KPMG Bedrijfsrevisoren BV, represented by Kenneth Vermeire and Stéphane Nolf, with offices at Luchthaven Brussel Nationaal 1 K, 1930 Zaventem, Belgium ("**KPMG**"), as auditor of the Issuer for the financial years 2025-2027.

PwC and KPMG are members of the *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*.

Changes since the most recent published financial statements

Other than as disclosed in the section entitled "Recent events", there has been no significant change in the financial position or the financial performance of the Issuer since 31 December 2024, i.e. the date of its last published audited financial statements.

There has been no significant change in the financial position of the Group nor in the solvency of the Issuer since 31 December 2024, i.e. the end of the last financial period for which financial information has been published.

Expected financing and material changes in the Issuer's borrowing and funding structure

Please refer to Note 2.3 (Balance-sheet information by segment) on page 190 of the Issuer's 2024 Annual Report for a description of the expected financing of the Issuer's activities. The Issuer's 2024 Annual Report is incorporated by reference into this Base Prospectus as set out in the section entitled "*Documents incorporated by reference*".

There are no material changes in the Issuer's borrowing or funding structure since 31 December 2024.

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INFORMATION RELATING TO THE COVERED BONDS

SUMMARY OF THE BELGIAN COVERED BONDS LEGISLATION

The following is a brief summary of certain features of the Belgian Covered Bonds Legislation governing the issuance of Belgian covered bonds as at the date of this Base Prospectus, which legislation may be supplemented, amended, modified or varied whether by legislative enactment or by way of judicial decisions and administrative pronouncements including, possibly, with retroactive effect. This summary does not purport to be, and is not, a complete description of all aspects of the Belgian legislative and regulatory framework pertaining to Belgian covered bonds and prospective Covered Bondholders should also read the detailed information set out elsewhere in this Base Prospectus. The original language of the Belgian Covered Bonds Legislation is Dutch and French. The following summary is provided in English only for the sake of convenience. In the event of any doubt, the original Dutch or French language version of the Belgian Covered Bonds Legislation should be consulted.

1. INTRODUCTION

The transactions described in this Base Prospectus are the subject of specific legislation, the Belgian Covered Bonds Legislation.

The Belgian Covered Bonds Legislation includes the relevant provisions on the issuance of covered bonds as incorporated in the Banking Law, in particular in Book II, Title II, Chapter IV, Section III and in Annex III, the Mobilisation Law, the Covered Bonds Royal Decree, the Cover Pool Administrator Royal Decree, the NBB Covered Bonds Regulation, the NBB Cover Pool Monitor Regulation and any other law, royal decree, regulation or order that may be passed or taken in relation to Belgian covered bonds, as amended, supplemented and/or replaced from time to time.

The Belgian Covered Bonds Legislation was initially enacted in 2012, with a view, *inter alia*, to introducing a legal framework for the issue of Belgian covered bonds complying with the standards of Article 52, § 4 of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (**UCITS**) (recast), as amended, supplemented and/or replaced from time to time, by Belgian credit institutions.

At the end of 2019, the European Parliament and the Council finalised the legislative package on covered bond reforms made up of a new covered bond directive (**Directive (EU) 2019/2162**) and a new regulation (**Regulation (EU) 2019/2160**), which entered into force on 7 January 2020 with the deadline for application of 8 July 2022 (both texts have relevance for the EEA and are to be implemented in due course in other countries in the EEA).

Directive (EU) 2019/2162 replaced the article 52(4) of the UCITS Directive and established a revised common base-line for issue of covered bonds for EU regulatory purposes (subject to various options that members states may choose to exercise when implementing the new directive through national laws).

The new regulation became directly applicable in the EU from 8 July 2022 and it amended article 129 of the Capital Requirements Regulation (CRR) (and certain related provisions) and further strengthened the criteria for covered bonds that benefit from preferential capital treatment under the CRR regime. In addition, Directive (EU) 2019/2162 provides for permanent grandfathering with respect to certain requirements of the new regime for article 52(4) UCITS Directive-compliant covered bonds issued before 8 July 2022 and includes an option for the EU member states to allow tap issues with respect to grandfathered covered bonds (for up to 24 months after 8 July 2022), provided such tap issues comply with certain prescribed requirements.

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The Belgian Covered Bonds Legislation has recently been updated in order to transpose Directive (EU 2019/2162 and in order to take into Regulation (EU) 2019/2160, through the following instruments:

- the Belgian law of 26 November 2021 amending the Banking Law to, inter alia, transpose Directive (EU) 2019/2162 into Belgian law (the **Law of 26 November 2021**);
- the Belgian Royal Decree of 27 January 2022 amending the Covered Bonds Royal Decree, the Cover Pool Administrator Royal Decree, the Belgian Royal Decree of 12 November 2012 concerning the undertakings for collective investment satisfying the conditions of Directive 2009/65/EC and the Belgian Royal Decree of 25 February 2017 concerning certain public alternative investment funds and their management companies, and containing diverse provisions (the **Royal Decree of 27 January 2022**); and
- the NBB Covered Bonds Regulation and the NBB Cover Pool Monitor Regulation (each as defined below).

The Belgian Covered Bonds Legislation contemplates a full on balance structure with a right of dual recourse for Covered Bondholders (an exclusive claim against the Special Estate (together with the Cover Pool Creditors) and an unsecured claim against the General Estate of the Issuer).

The transitory provisions of the updated legislation provide that covered bonds issued:

(i) prior to 8 July 2022; or

(ii) under a programme for the issuance of covered bonds and with an ISIN opened prior to 8 July 2024 and which satisfy the following conditions:

a) the maturity date of the relevant covered bonds is before 8 July 2027;

b) the total volume of issuance under the same programme after 8 July 2022 is not more than two times the volume of outstanding covered bonds on that date;

c) the total volume of the issuance on the maturity date is not more than EUR 6,000,000,000; and

d) the cover assets are situated in Belgium,

are until their maturity date subject to Articles 6, 80, 81 and 82 of the Banking Law, Articles 2, 3, 4, 6, 13 and 15 of Annex III to the Banking Law, Articles 3, 4, 5, 6, 7 and 8 of the Covered Bonds Royal Decree and Article 4, §1, 7° and 8° of the Cover Pool Administrator Royal Decree, as they applied prior to their amendment pursuant to the updated legislation.

For the remainder, the Belgian Covered Bonds Legislation, as recently amended, will apply to the aforementioned covered bonds under (i) and (ii). This includes, without limitation, revised reporting requirements that the Issuer will have to comply with and which are in line with the requirements set out in Directive (EU) 2019/2162. As an exception, certain new provisions in relation to the composition of the cover assets, the inclusion of derivatives in the cover assets, requirements for the cover assets and provisions establishing the conditions under which issuing credit institutions may provide, in their terms of issue, for the implementation of extended maturity structures (Articles 1/2, 1/3, 2/1 and 13/1 of Annex III to the Banking Law) will not apply to the covered bonds mentioned under (i) and (ii) above.

The provisions of the Belgian Covered Bonds Legislation that are relevant to the covered bonds issued under this Base Prospectus may be summarised as described in the sections below.

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2. BELGIAN PANDBRIEVEN (BELGISCHE PANDBRIEVEN/LETTRES DE GAGE BELGES)

Pursuant to Article 1, 1° of Annex III to the Banking Law, Belgian covered bonds are debt instruments which:

- are issued by a credit institution governed by Belgian law which is authorised to issue Belgian covered bonds;
- are included in the list of Belgian covered bonds, or are subject to a Belgian covered bond programme approved by the Supervisor; and
- are secured by cover assets (*dekkingsactiva/actifs de couverture*).

Pursuant to Article 1, 3° of Annex III to the Banking Law, a *Belgian pandbrief/lettre de gage belge* is a Belgian covered bonds of which the cover assets satisfy the conditions set on the basis of Article 2,§1 of Annex III of the Banking Law: in order to qualify as a Belgian Pandbrief, the composition and valuation of cover assets must guarantee that the Belgian covered bond satisfies the requirements to obtain a beneficial weight as included in Article 129 of Regulation 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms (**CRR**). Based on the power granted to the King on the basis of Article 81, §4 of the Banking Law, the criteria to determine or clarify whether a Belgian covered bond complies with this regulation have been set in the Covered Bonds Royal Decree.

Belgian covered bonds which comply with the requirements set out in the Covered Bonds Royal Decree may therefore be referred to as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*). The Covered Bonds issued under the Programme will comply with the requirements set out in the Covered Bonds Royal Decree and will therefore be deemed to comply with Article 129 of CRR.

Whereas the creation of Belgian Covered Bonds depends on the effectiveness of the segregation of Cover Assets in a Special Estate on balance of the issuing credit institution, the Belgian legislator also had to ensure that this segregation would not be open to challenge or recharacterisation on the basis of insolvency rules. Therefore, a second law was voted by Belgian Parliament on 3 August 2012 regarding diverse measures to facilitate the mobilisation of claims in the financial sector (*wet betreffende diverse maatregelen ter vergemakkelijkijng van de mobilisering van schuldvorderingen in de financiële sector/loi relative à des mesures pour faciliter la mobilisation de créances dans le secteur financier*)(the **Mobilisation Law**).

3. DUAL AUTHORISATION BY THE SUPERVISOR

(a) Introduction

A Belgian credit institution requires specific authorisation from the Supervisor to issue Belgian covered bonds.

The prior authorisation of the Supervisor comprises:

- a general authorisation in relation to its organisational capacity to issue Belgian covered bonds and to provide the follow up (the **General Authorisation**); and
- a special authorisation as to whether a particular issue or issue programme complies with the legal requirements (the **Specific Authorisation**).

On its website, the Supervisor publishes:

- a list of credit institutions that are authorised to issue Belgian covered bonds (currently at https://www.nbb.be); and

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- a list that specifies, per credit institution, the programmes or issuances that have been authorised. This list is divided into a list of Belgian covered bonds and a list of Belgian pandbrieven (currently at https://www.nbb.be).

The information contained on the website of the National Bank of Belgium (www.nbb.be) does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

The Issuer is on the Supervisor's list of credit institutions that are authorised to issue Belgian covered bonds. The Programme is on the Supervisor's list of Belgian covered bonds that are compliant with Article 129 of CRR.

(b) General Authorisation

To obtain a General Authorisation, the credit institution must, among other things, provide information on its financial position, long-term strategy, tasks and responsibilities in relation to the issue of Belgian covered bonds, risk management policy, internal audit and IT systems. The financial position must demonstrate that the interests of its creditors other than the holders of Belgian covered bonds will be protected. The credit institution's statutory auditor must report on the credit institution's organisational capacity to issue Belgian covered bonds.

The Supervisor will only grant the General Authorisation to the extent that, on the basis of the above information, it is satisfied:

- that the administrative and accounting organisation of the Issuer allows it to operate in accordance with the Belgian Covered Bonds Legislation, in particular as regards its capacity to segregate the Cover Assets from its General Estate;

- that the financial position of the Issuer, specifically with respect to its solvency, is sufficient to safeguard the interests of its creditors, other than the Covered Bondholders and Other Cover Pool Creditors; and

- that the person who, within the effective management of the credit institution, is responsible for the issuance and administration of the Belgian covered bonds has the required expertise and is sufficiently available to carry out this responsibility and provides the credit institution of the necessary resources to ensure the proper performance of the issuance and management of these covered bonds.

The Issuer obtained the General Authorisation from the Supervisor in relation to its organisational capacity to issue Belgian covered bonds on 6 November 2012.

(c) Specific Authorisation

To obtain the Specific Authorisation, the credit institution must, among others things, provide information on the impact of the issue on the liquidity position of the issuing credit institution, the quality of the cover assets, the extent to which the maturity dates of the Belgian covered bonds coincide with those of the cover assets and the possible existence of an extendable maturity structure and the identification of the cover pool monitor which the credit institution proposes to appoint. The credit institution will also have to demonstrate that it continues to comply with the requirements of the General Authorisation.

The Supervisor will only grant the Specific Authorisation to the extent that, on the basis of the above information, it is satisfied that the following conditions have been met:

- the Issuer has obtained a General Authorisation;

- the Cover Assets meet the requirements set out in the Belgian Covered Bonds Legislation; and

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- the Issuer has an appropriate organisation in place to ensure the compliance with the legal and regulatory provisions regarding the issue of Belgian covered bonds.

The Issuer obtained the Specific Authorisation from the Supervisor in relation to the Programme on 6 November 2012.

(d) Sanctions in case of breach

If the issuing credit institution is (and remains) unable to meet the requirements which apply to it as issuing credit institution of Belgian covered bonds, the Supervisor can grant a grace period during which this situation must be resolved. If the situation is not resolved after expiry of this grace period, the Supervisor, or, where appropriate, the ECB at the request of the Supervisor, may revoke the General Authorisation or one or more Specific Authorisations. For so long as the issuing credit institution is in breach of the Liquidity Test or Cover Test, it shall not be allowed to issue new Belgian covered bonds, regardless of the granting of any grace period by the Supervisor. In cases of extreme urgency or if the seriousness of the facts justifies such action, the Supervisor or the ECB may proceed with a deregistration without setting a grace period.

A deregistration will be notified by the Supervisor to the European Commission and the European Banking Authority. As a result of this deregistration, the issuer will no longer be entitled to issue Belgian covered bonds. In case it wishes to issue new Belgian covered bonds, the issuing credit institution will again have to comply with all requirements in order to be registered. A deregistration does not affect the holders of outstanding Belgian covered bonds.

The Supervisor can also publish warnings to indicate that a credit institution has failed to comply with the Supervisor's requests to meet the requirements of the Belgian Covered Bonds Legislation within a specified grace period. In addition, as part of its general supervisory function under the Banking Law, the Supervisor can – after hearing or inviting the issuing credit institution for a hearing – impose a fine of maximum EUR 2,500,000 per breach or EUR 50,000 per day of non-compliance. The Supervisor has the power to impose administrative penalties on issuing credit institutions. Such administrative penalties may range from EUR 2,500 to EUR 2,500,000 (please also refer to Section 11.4 below – "*The Supervisor*").

4. SPECIAL ESTATE AND PROTECTION IN THE CONTEXT OF AN INSOLVENCY

4.1. Composition of the Special Estate

The Belgian Covered Bonds Legislation contemplates a full on balance sheet structure.

The estate of an issuing credit institution that has issued Belgian covered bonds is legally composed of a general estate and of one or more special estates.

The issuing credit institution must maintain a cover register for all Belgian covered bonds issued in which all Belgian covered bonds and the cover assets are registered (the **Register of Cover Assets**).

The special estate by operation of law includes:

- all assets registered in the Register of Cover Assets;
- all collateral (cash or financial instruments) received in relation to any derivative contracts that have been registered as cover assets;
- all security interests and sureties, guarantees or privileges, in whatever form, that have been granted in relation to cover assets, as well as rights under insurance policies and other contracts in relation to the cover assets or the management of the special estate;

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- all sums that the issuing credit institution holds as a result of the recovery (reimbursement, payment) of assets or of the rights mentioned above for the account of the special estate or otherwise held for the special estate; and

- the mandatory reserves with the NBB, to the extent that these are linked to the special estate.

Pursuant to a revindication mechanism provided by Article 3, §2, second indent of Annex III to the Banking Law, if the Issuer holds amounts as provided for in Article 3, § 2, first indent, 4° for the account of a Special Estate, and these amounts cannot be identified in the General Estate when the delivery of these assets is requested on behalf of the Special Estate, the ownership right in relation to these amounts that are part of the Special Estate will be transferred for a corresponding value to other unencumbered assets in the General Estate of the Issuer that will be selected by taking into account criteria specified in the terms and conditions of the relevant issuance (hereinafter referred to as the "*issue conditions*").

4.2. The Register of Cover Assets

The issuing credit institution must maintain a Register of Cover Assets. The issuing credit institution may have more than one Register of Cover Assets. The assets included in the Register of Cover Assets are included on, and are a part of, the issuing credit institution's balance sheet. Each item in the Register of Cover Assets must be clearly identified and the Register of Cover Assets must be updated on a regular basis to include any changes in the relevant information.

As from their registration in the Register of Cover Assets, the assets listed in Article 1/2 of Annex III to the Banking Law (see Section 5 below), including derivative contracts, that are part of the relevant Special Estate, constitute the cover assets. Such registration and allocation to the cover assets is valid and enforceable against third parties.

The amounts that are paid by way of repayment, recovery or payment of interest on the cover assets may be applied as cover assets that form part of their respective category, until the point at which such amounts are used for other purposes.

Upon their removal from the Register of Cover Assets, cover assets will no longer be part of the special estate.

The Register of Cover Assets must at least contain the following information:

- the characteristics per series of issued Belgian covered bonds, including their nominal value, maturity date and interest rate(s); and

- the characteristics of assets that constitute the Cover Assets, including the category, the type of contract, the nominal value, the currency, the issue date or origination date and the maturity date of the assets, the date of registration in the Register of Cover Assets, the identity of the counterparties, information regarding redemption, interest rates, guarantees and the value of the assets.

If any of the above characteristics of an asset changes, this must be reflected in the Register of Cover Assets as soon as possible.

The assets, derivative contracts and the outstanding debt instruments that are part of the special estate must be registered in accordance with the following principles:

- the cover assets, which are registered in the Register of Cover Assets, must at all times be identifiable in the accounts and systems of the issuing credit institution;

- each transaction regarding cover assets must be immediately registered in the Register of Cover Assets and at the latest on the same day by close of business;

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- each registration in and/or amendment to the Register of Cover Assets must be traceable;
- the issuing credit institution must be able to copy the content of the Register of Cover Assets at all times; and
- at the end of each month, the content of the Register of Cover Assets must be copied to a durable medium and kept for a period of five years after the maturity date of the Belgian covered bonds. The standard procedures of the issuing credit institution for back-up and archiving can be used to this end, provided that the relevant storage method is acceptable to the statutory auditor, the cover pool monitor and the NBB.

Protective measures must be taken to prevent unauthorised persons from making modifications to the Register of Cover Assets, or to prevent damages to or destruction of the Register of Cover Assets. To this end, the issuing credit institution must keep an updated (back-up) copy of the Register of Cover Assets at a different location to that where the original copy is kept. Both the register and the back-up shall be kept in electronic form.

4.3. Allocation of the Special Estate

Each special estate is exclusively allocated to satisfy the obligations towards the Belgian covered bondholders and creditors that are or can be determined based on the issue conditions. The distribution or priority rules between the obligations towards the holders of Belgian covered bonds and the other creditors of the special estate must be determined in the issue conditions and in the agreements that are entered into in the context of the issue of Belgian covered bonds or the relevant issue programme. The Conditions (see Condition 9 (*Priorities of payments*)) contain specific provisions regarding the distribution of payments between the Covered Bondholders and the Other Cover Pool Creditors with respect to funds derived from the Special Estate following an acceleration of the Covered Bonds or following a decision of the Cover Pool Administrator to early redeem the Covered Bonds of all Series pursuant to Article 11, 6° or 7° of Annex III to the Banking Law.

Creditors of the issuing credit institution (other than Belgian covered bondholders and creditors that are or can be determined based on the issue conditions) may not exercise any rights against or attach the special estate.

The Belgian covered bondholders and the creditors that are or can be determined based on the issue conditions also maintain a recourse against the general estate of the issuing credit institution. The Belgian covered bondholders and creditors that are or can be determined based on the issue conditions consequently have a dual right of recourse against, (a) the general estate, and (b) the special estate of the issuing credit institution.

The holders of Covered Bonds issued by the Issuer under the Programme and the Other Cover Pool Creditors will consequently have an exclusive recourse against the Special Estate while maintaining a recourse against the General Estate of the Issuer. As indicated above, the Conditions (see Condition 9 (*Priorities of payments*)) contain specific provisions regarding the distribution of payments between the Cover Pool Creditors with respect to funds derived from the Special Estate following an acceleration of the Covered Bonds or following a decision of the Cover Pool Administrator to early redeem the Covered Bonds of all Series pursuant to Article 11, 6° or 7° of Annex III to the Banking Law.

4.4. Protection in the context of insolvency – no acceleration

The Belgian Covered Bonds Legislation also contains provisions relating to the protection of holders of Belgian covered bonds and of creditors that are or can be determined based on the issue conditions upon the insolvency of the issuing credit institution.

If bankruptcy proceedings are initiated against the issuing credit institution, the proceedings are limited to the general estate of the issuing credit institution; the special estate and the debts and obligations it covers do not form part of the bankruptcy estate. The proceedings do not cause the obligations and debts

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of the special estate to become due and payable. Accordingly, the Belgian covered bonds (can) remain outstanding until their stated maturity, notwithstanding a bankruptcy of the issuing credit institution.

The special estate will be run separately from the bankruptcy procedure applicable to the general estate of the issuing credit institution (i.e., on a bankruptcy remote basis).

Cover assets that are part of the special estate will only return to the general estate once all Belgian covered bonds have been repaid in full. The insolvency administrator (*curator/curateur*) will have no rights on the special estate. However, on the initiation of bankruptcy proceedings against the issuing credit institution, the insolvency administrator is entitled, after consultation with the Supervisor, to require that the cover assets, that are with certainty no longer necessary as cover assets, are retransferred to the general estate.

The insolvency administrator has a legal obligation to co-operate with the Supervisor and the cover pool administrator in order to enable them to manage the special estate in accordance with the Belgian Covered Bonds Legislation.

A special (legal) mechanism has been created to protect cash held by the issuing credit institution on account of the special estate. Pursuant to this (legal) mechanism, the ownership rights of the special estate as regards cash that cannot be identified in the general estate, will be transferred to unencumbered assets of the general estate that will be selected by taking into account criteria specified in the issue conditions. With respect to the Programme, these criteria are specified in Condition 12 (*Covered Bond provisions*).

In addition, upon a bankruptcy of the issuing credit institution, all sums and payments relating to the assets constituting the special estate that are collected by or for the account of the special estate are automatically excluded from the bankrupt estate of the issuing credit institution and exclusively allocated to the special estate.

4.5. Transfer and liquidation of the special estate

As indicated above, bankruptcy proceedings against the issuing credit institution do not cause the obligations and debts covered by the special estate to become due and payable. Upon the initiation of bankruptcy proceedings against the issuing credit institution, the cover pool administrator may, in the interest of the holders of Belgian covered bonds, in consultation with the representative of the holders of Belgian covered bonds and subject to approval by the Supervisor, transfer the special estate (assets and liabilities) and its management to an institution entrusted with performing obligations to the holders of Belgian covered bonds in accordance with the initial issue conditions.

Upon the initiation of bankruptcy proceedings against the issuing credit institution, the cover pool administrator:

(a) may, in consultation with the representative of the holders of Belgian covered bonds and subject to approval by the Supervisor, proceed with the liquidation of the special estate and with the early redemption of the Belgian covered bonds where the cover assets are not, or risk not being, sufficient to satisfy the obligations under the Belgian covered bonds; and

(b) will, in consultation with the representative of the holders of Belgian covered bonds and the Supervisor, proceed with the liquidation of the special estate and with the early redemption of the Belgian covered bonds when a majority decision has been taken to this effect at a bondholders meeting at which at least two thirds of the principal amount of Belgian covered bonds is represented.

If the Cover Tests and the Liquidity Test are no longer met, the cover pool administrator must consult the representative of the covered bondholders for the purposes of considering the liquidation of the special estate and the early repayment of the Belgian covered bonds, as contemplated under (a) above.

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Reference is also made to Condition 8 (*Events of Default and Enforcement*) in relation to the events that trigger an acceleration of the Covered Bonds.

The rights of Belgian covered bondholders and of the creditors that are or can be determined based on the issue conditions against the special estate will also be maintained and will follow the special estate on a disposal of assets of the issuing credit institution in the context of redress measures taken by the Belgian authorities against the issuing credit institution.

The Special Estate could be transferred to a third party, either as a result of (i) the application of the resolution tools (*afwikkelingsinstrumenten/instruments de résolution*) taken in accordance with Book II, Title VIII of the Banking Law, or (ii) following the commencement of bankruptcy proceedings or recovery measures, if the Cover Pool Administrator decides to transfer in accordance with Article 11, 5° of Annex III to the Banking Law. The Banking Law provides that, in the case of such a transfer, the rights of the holder of the Belgian covered bonds against the special estate will be maintained and will follow the special estate.

5. ASSETS TO BE INCLUDED IN THE SPECIAL ESTATE

The special estate may be composed of assets falling within any of the following four categories: Residential Mortgage Loans (**category 1**), Commercial Mortgage Loans (**category 2**), Public Exposures (**category 3**) and exposures to credit institutions (**category 4**).

(a) Mortgage Loans

The special estate may include residential mortgage loans or commercial mortgage loans:

- **Residential mortgage loans (category 1)**: mortgage receivables secured by a mortgage on Residential Real Estate located in the European Economic Area (EEA) up to the lower of (i) the principal amount of the corresponding mortgages and (ii) 80% of the value of the relevant Residential Real Estate (**Residential Mortgage Loans**). Mortgage receivables relating to residential real estate under construction or in development can only be included in the special estate if they do not represent more than 15% of all the residential mortgage loans included in the special estate; and

- **Commercial mortgage loans (category 2)**: mortgage receivables secured by a mortgage on Commercial Real Estate located in the EEA up to a value which is the lower of (i) the principal amount of the corresponding mortgages (together with all previously granted mortgages) and (ii) 60% of the value of the relevant Commercial Real Estate (**Commercial Mortgage Loans**). Mortgage receivables relating to commercial real estate under construction or in development may not be included in the special estate.

In order to qualify for residential and commercial mortgage loans, the credit institution must be the beneficiary of a first-ranking mortgage.

Residential Real Estate is real property that is destined for housing or for renting (*huur/location*) as housing by the owner.

Commercial Real Estate is real property that is primarily used for industrial or commercial purposes or for other professional activities, such as offices or other premises intended for the exercise of a commercial or services activity.

(b) **Exposures to public sector entities (category 3)**: receivables on or guaranteed or insured by, (i) a central government or central bank of a member state of the Organisation for Economic Co-operation and Development (**OECD**), or by a regional or local government of those member states, (ii) a public entity of an OECD member state, or (iii) a multilateral development bank or

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international organisation that obtains a 0% risk weight in accordance with Articles 117 and 118 CRR (**Public Exposures**).

When the counterparties to the claims referred to under (i) and (ii) are not members of the EU or, in the case of central banks, not members of the European System of Central Banks (ESCB), only those claims are eligible which:

- in the case of counterparties referred to in point (i), belong to credit quality step 1 or 2 as determined in accordance with Article 136 CRR;
- in the case of counterparties referred to in point (ii), have the same risk weight as exposures in relation to institutions or central governments, and central banks in accordance with, respectively, Article 115(1) or (2) or with Article 116(1), (2) or (4) CRR and belong to credit quality step 1 or 2 as determined in accordance with Article 136 CRR,

provided that claims on counterparties belonging to credit quality step 2 may not exceed 20 % of the nominal amount of all outstanding Belgian covered bonds concerned;

(c) **Exposures to credit institutions (category 4)**: claims against an OECD credit institutions and which belong to credit quality steps 1 or 2 as established under Article 136 CRR, where those claims take the form of:

- short-term claims having a maturity of 3 months or less, or short-term deposits with an original maturity of up to 100 days, where they are used to meet the liquidity requirement for the Special Estate, as set out in Article 7, paragraph 1 of the Covered Bonds Royal Decree; or
- derivative contracts that comply with the requirements set out in Article 4 of the Covered Bonds Royal Decree.

The claims on credit institutions belonging to credit quality step 2 may only be used as Cover Assets up to 10 % of the nominal amount of the relevant outstanding Belgian covered bonds.

The total value of claims on credit institutions belonging to the credit quality steps 1 or 2 shall not exceed 15 % of the nominal amount of the relevant outstanding Belgian covered bonds.

Amounts paid as reimbursement, collection or payment of interest on cover assets included in the special estate may be applied as cover assets that are a part of their respective category.

At the time an asset is registered as a Cover Asset in the Cover Register, such asset may not be subject to a payment default in the sense of Article 178 CRR (Article 3, §6 of the Covered Bonds Royal Decree).

6. OVER-COLLATERALISATION AND TESTS

At the time of the issuance and as long as any Belgian covered bonds remain outstanding, the issuing credit institution must, in respect of each special estate, meet the following cover tests.

6.1. 85% Asset Coverage Test

The value of the assets out of one of the first three categories (Residential Mortgage Loans, Commercial Mortgage Loans or Public Exposures), i.e. the **Primary Assets**, must represent at least 85% of the nominal amount of the Belgian covered bonds outstanding (the **85% Asset Coverage Test**).

For the purposes of this Programme, the main asset class of the Special Estate will consist of Residential Mortgage Loans, their Related Security interests and all monies derived therefrom from time to time in accordance with the Belgian Covered Bonds Legislation.

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6.2. Over-Collateralisation Test

The value of the cover assets must provide an excess cover such that their value exceeds the principal amount outstanding of the Belgian covered bonds. Per special estate, the value of the cover assets must represent at least 105% of the principal amount of the Belgian covered bonds issued (the **Over-Collateralisation Test**).

In order to meet the continuous requirements of the Over-Collateralisation Test, the issuing credit institution has the legal obligation to maintain an active collateral management policy. Accordingly, the composition of the cover assets included in the special estate is dynamic. As long as Belgian covered bonds are outstanding, the issuing credit institution may be required to add, remove and/or replace cover assets in order to meet the requirements of the Over-Collateralisation Test.

6.3. Amortisation Test

The cover assets composing the special estate must, for the duration of the Belgian covered bonds, provide a sufficient cover, (a) for the payment of principal and interest on the Belgian covered bonds, (b) for the obligations towards the creditors that are or can be determined based on the issue conditions, and (c) for the maintenance and management of the special estate (including the costs of winding down the issuance programme). Per special estate, the sum of interest, principal and all other revenues generated by the cover assets must be sufficient to cover the sum of all interest, principal and charges linked to the Belgian covered bonds (the **Amortisation Test**).

To determine the extent to which the principal amount of the cover assets is included in the calculation referred to above, the eligibility criteria set out in Article 3 of the Covered Bonds Royal Decree shall be taken into account in accordance with Article 5, §3, first indent of the Covered Bonds Royal Decree.

The interest generated by the Cover Assets are calculated, and the costs for maintenance and management, are calculated and estimated in accordance with Article 5, §3, second and third indent of the Covered Bonds Royal Decree.

The 85% Asset Coverage Test, the Over-Collateralisation Test and the Amortisation Test are hereinafter jointly referred to as the **Cover Tests**.

7. COVER TESTS – VALUATION METHODOLOGY

The value of the cover assets of each category is determined in the following manner for the purpose of the Cover Tests:

(a) **Residential Mortgage Loans**: the lesser of, (i) the outstanding loan amount, (ii) 80% of the market value of the Residential Real Estate, and (iii) the value of the mortgage.

If the Residential Real estate over which a mortgage has been created is located in Belgium, the value of the mortgage in respect of a residential mortgage loan will be equal to the amount of the mortgage registration in first rank, plus any amounts of mortgages in subsequent ranks provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*).

If the mortgage is supplemented with a mortgage mandate, the value of the mortgage will be equal to the lesser of, (i) the sum of the amount of the mortgage registration in first rank, plus any amounts of mortgages in sequentially lower ranks provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*) and the amount for which a mortgage mandate has been granted, and (ii) the amount of the mortgage registration in first rank, plus the amount of any mortgage in sequentially lower ranks provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*), divided by 0.6.

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If the Residential Real Estate over which the mortgage has been created is located outside Belgium, the value of the mortgage in respect of such residential mortgage loan will be equal to the amount of the mortgage registration in first rank, plus the amount of any mortgages in sequentially lower ranks provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*). Mortgage mandates are not taken into consideration.

Residential Real Estate may only be taken into consideration for the purposes of the valuation calculations of the cover assets if the requirements set out Article 208 CRR are fulfilled, including the requirements that the valuation of the Residential Real Estate is frequently, and at least annually, verified and that the issuing credit institution has procedures in place to verify that the property in question is adequately insured against the risk of loss.

The valuation of Residential Real Estate is subject to periodic review.

(b) **Commercial Mortgage Loans**: the lesser of, (i) the outstanding loan amount, (ii) 60% of the sales value of the Commercial Real Estate, and (iii) the value of the mortgage.

The value of the mortgage in respect of a commercial mortgage loan equals the amount of the mortgage registration in first rank, accrued (if applicable) with the amount of the mortgages in sequentially lower ranks provided that there are no other creditors with prior-ranking mortgage rights (*zonder dat andere schuldeisers zich in een tussenpositie bevinden/sans interposition d'autres créanciers*). Mortgage mandates are not taken into consideration.

Commercial Real Estate may only be taken into consideration for the purposes of the valuation calculations if the eligibility requirements that apply to Residential Mortgage Loans have been met.

The valuation of Commercial Real Estate is subject to periodic review.

(c) **Public Exposures**: to the extent that the counterparty is a member of the European Union, the value is equal to the book value in the books of the issuing credit institution (or limited to the amount guaranteed by the relevant entities).

(d) **Derivative contracts**: for the calculation of the requirements of the 85% Asset Coverage Test and the Over-Collateralisation Test, derivative contracts shall be valued on the basis of the amount due at the termination of the derivative contract (close-out amount).

(e) **Exposures to credit institutions**: the value will be equal to the amount at which the assets are registered in the accounting statements of the issuing credit institution.

In all circumstances, the value of an asset that is 90 days past due is zero. The value of an asset that is 30 days past due will only be taken into account for 50% of the value as set out above.

8. RISK MANAGEMENT

The issuing credit institution must establish risk management policies and perform stress test on a quarterly basis in order to guarantee that the liquidity flows generated by the Cover Assets remain sufficient to satisfy the requirements of the Cover Tests and the Liquidity Test and/or, as the case may be, must dispose of other assets that can be sold or mobilised quickly in order to provide relevant coverage.

The stress tests do at least need to take into account:

- of sudden and unexpected interest rate or exchange rate movements;
- scenarios with different levels of percentages of early prepayment of cover assets;

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- scenarios with material deterioration of the credit quality of the cover assets. .

9. LIQUIDITY TEST

Each special estate must contain sufficient liquid and available Cover Assets to provide a liquidity buffer in order to enable the issuing credit institution to cover at all times the net liquidity outflows of the relevant issue or the relevant issuance programme at any time, and the maximum amount of the sum of the net liquidity outflows calculated over a six month period (the **Liquidity Test**). Where an extended final maturity is specified for a an issue of Covered Bonds, the principal amount of such Covered Bonds to be taken into account for the purpose of the calculation of the net liquidity outflow can be based on the maximum maturity as stipulated in the issue conditions.

If an issuing credit institution fails to meet the requirements of the Liquidity Test, it will have to take the necessary redress measures to meet the relevant requirements. As long as an issuing credit institution has not taken the necessary redress measures, it is not allowed to issue new Belgian covered bonds (under a programme or on a stand-alone basis).

10. LIMITATIONS ON ISSUE OF BELGIAN COVERED BONDS BY AN ISSUING CREDIT INSTITUTION AND SUBSCRIPTION OF OWN COVERED BONDS

10.1. Limitation of the amount of Belgian covered bonds

As of 1 January 2024, Article 10 of the Covered Bond Royal Decree does no longer include the provision that an issuing credit institution may no longer issue further Belgian covered bonds if the amount of the cover assets exceeds 8% of the total assets of such credit institution. The Supervisor does however have the possibility to limit the volume of the issue of Belgian covered bonds of issuing credit institution in order to protect the creditors of the credit institution other than the holders of Belgian covered bonds.

10.2. Conditions to issuance of Belgian covered bonds

As set out in Section 3 above, an issuer can only issue Belgian covered bonds after having obtained a general licence from the Supervisor authorising it to issue covered bonds as well as a specific licence in relation to the programme (or standalone issue, as the case may be). Subsequently, an issuer may be restricted from issuing further Belgian covered bonds in certain circumstances. In particular, this could be the case if the Supervisor removes the issuer from the list of Belgian covered bond issuers and revokes its licence (see Section 3(d) above) or if the Supervisor imposes a certain limit on the aggregate amount of Belgian covered bonds that can be issued and the issuer would exceed such limit with a new issue (see Section 10.1 above). Moreover, if the issuer fails to meet the Statutory Tests, it will be prevented from further issuing Belgian covered bonds (see Section 8 above).

10.3. Subscription of own Belgian covered bonds

The issuing credit institution may subscribe to or invest in its own Belgian covered bonds. However, to the extent that these Belgian covered bonds are held by the issuing credit institution, such credit institution will not be able to exercise the rights set out in Articles 7:162 to 7:176 of the Belgian Code on Companies and Associations (to the extent applicable) or similar rights set out in the articles of association of the issuing credit institution or in the issue conditions, unless otherwise provided in the issue conditions.

11. PARTIES

11.1. Cover Pool Monitor

For each Belgian covered bonds issue or issue programme, the issuing credit institution must appoint a cover pool monitor (*portefeuillesurveillant/surveillant de portefeuille*) approved by the Supervisor. The cover pool monitor is an auditor who is not the statutory auditor of the issuing credit institution.

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Before the issue of Belgian covered bonds the cover pool monitor will need to take all reasonable measures to ensure that the issuing credit institution meets the following requirements:

(a) the cover assets meet the qualitative and quantitative requirements that apply to cover assets registered in the Register of Cover Assets and limits set out in the Belgian Covered Bonds Legislation (see Section 5 above);

(b) the cover assets meet the Cover Tests (see Sections 6 and 7 above);

(c) the cover assets meet the Liquidity Test (see Section 8 above); and

(d) the requirements that apply to the cover register and the correct registration of cover assets in the cover register are complied with (see Section 4.2 above).

The cover pool monitor must be able to verify all information which is recorded in the Register of Cover Assets.

After the issue of Belgian covered bonds, the cover pool monitor must perform these verifications at least once a year. However, the cover pool monitor will verify at least once a month that the Cover Tests, the Liquidity Test and the requirements for the cover register are complied with. The NBB Cover Pool Monitor Regulation contains provisions that specify how the cover pool monitor must perform its task.

The Supervisor can also request that the cover pool monitor performs other tasks and verifications.

The fees and cost of the cover pool monitor must be borne by the issuing credit institution.

EY represented by Joeri Klaykens, Accredited Auditor, is on the date of this Base Prospectus the Cover Pool Monitor in relation to the Special Estate pursuant to Article 16, §1 of Annex III to the Banking Law by the Issuer. The appointment of EY represented by Joeri Klaykens, Accredited Auditor as Cover Pool Monitor was approved by the Supervisor on 17 September 2024. The tasks and duties of the Cover Pool Monitor are further described in the Belgian Covered Bonds Legislation.

11.2. Cover Pool Administrator

Unless a cover pool administrator (*portefeuillebeheerder/gestionnaire de portefeuille*) is appointed by the Supervisor in the circumstances set out below, the issuing credit institution manages the special estate.

The Supervisor appoints a cover pool administrator for each special estate:

(a) upon the adoption of a measure or sanction as provided for under Article 8, §1, 1° of Annex III to the Banking Law against the issuing credit institution if, in the opinion of the Supervisor, such measure or sanction and/or the reasons for it may prejudice the rights of the holders of the Belgian covered bonds and/or of any third parties who may have a claim on the Special Estate;

(b) upon the initiation of winding-up proceedings (*liquidatieprocedure/procédure de liquidation*) against the issuing credit institution; or

(c) where the Supervisor is of the opinion that the assessment of the situation of the issuing credit institution is such that it may seriously affect (*ernstig in gevaar kan brengen/de nature à mettre gravement en péril*) the interest of the Belgian covered bondholders.

The Supervisor may also appoint a cover pool administrator in case the General Authorisation and/or Special Authorisation(s) are withdrawn.

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Winding-up proceedings within the meaning of Article 3, 59° of the Banking Law currently refer, in relation to the Issuer, to a bankruptcy within the meaning of Book XX of the Belgian Code of Economic Law.

In order to be appointed, the cover pool administrator must have the required expertise and experience and professional reliability. A number of further conditions apply as specified in the Cover Pool Administrator Royal Decree. Credit institutions established in the European Economic Area which are licensed to issue covered bonds with respect to similar assets or manage portfolios of mortgage loans or other assets which qualify as cover assets are deemed to satisfy such criteria.

It is not possible for the same party to perform both roles as cover pool administrator and insolvency administrator.

On designation, the cover pool administrator manages the special estate to the exclusion of the issuing credit institution. The cover pool administrator is legally entrusted with all necessary and relevant powers to manage the special estate. The purpose of such management is to ensure compliance with the obligations under the Belgian covered bonds in accordance with the issue conditions.

The cover pool administrator is allowed to enter into additional agreements on behalf of the special estate in order to improve the liquidity of the special estate.

The cover pool administrator can, among other things, perform the following tasks:

(a) ensure the payment of interest and principal on the Belgian covered bonds based on the amounts that are collected from the cover assets;

(b) ensure the collection of amounts that are due from the cover assets that constitute the special estate for the benefit of the covered bondholders and amend the cover register in order to take into account these payments;

(c) ensure the collection of overdue payments concerning cover assets, also by executing the guarantees, including the mortgages;

(d) without prejudice to Article 11 of Annex III to the Banking Law and the contractual provisions that apply to the relevant covered bonds, sell the cover assets;

(e) invest the amounts collected from the cover assets in other eligible assets, pending payment of the interest and principal on the relevant covered bonds. Provided that the NBB has granted its consent, the 85% Asset Coverage Test will not be applied when the special estate is managed by the cover pool administrator;

(f) in the interest of the covered bondholders renegotiate the contractual terms of the receivables that are in default, provided that this is not prohibited pursuant to the contractual terms of the relevant covered bonds;

(g) execute transactions that relate to derivative contracts, provided that these derivative contracts exclusively purport to cover the interest rate risk and the other risks that are related to the cover assets or the relevant covered bonds;

(h) enter into additional obligations, in order to guarantee compliance with the contractual conditions of the relevant covered bonds;

(i) perform administrative tasks that the issuing credit institution has to perform pursuant to the contractual conditions of the relevant covered bonds; and

(j) extend maturities in accordance with Article 13/1 of Annex III to the Banking Law.

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The Cover Pool Administrator Royal Decree specifies that the Cover Pool Administrator will be required to consult with the representative in circumstances where, following an insolvency of the issuing credit institution, it deems it necessary to liquidate the special estate and redeem the covered bonds because it is of the view that the cover assets are no longer sufficient to cover the obligations under the covered bonds. Such consultation with the representative will be required if the Cover Tests and/or Liquidity Test are no longer met.

Without prejudice to its powers under Article 11 of Annex III to the Banking Law, the cover pool administrator must obtain the approval of the Supervisor and of the representative of the Belgian covered bondholders for every transaction, including the sale of cover assets, if it would imply that the Cover Tests, the Liquidity Test or the contractual provisions would no longer be met or if there is a risk that they would no longer be met.

The cover pool administrator must:

(a) verify whether the Cover Tests, the Liquidity Test and the contractual provisions regarding the relevant covered bonds are met;

(b) inform the Supervisor and the representative(s) of the covered bondholders on, (I) the outcome of the tests under (A) on a quarterly basis, and (II) the measures that have been taken if these tests have not been met; and

(c) ensure that the periodic reports (required under the Covered Bonds Royal Decree) are sent to the Supervisor.

11.3. Representative of the holders of Belgian covered bonds

A representative may be appointed for holders of Belgian covered bonds that are part of the same issue or issue programme, provided that the issue conditions contain rules regarding the organisation of meetings of holders of Belgian covered bonds. These representatives may, within the limit of the missions that are entrusted to them, bind the holders of Belgian covered bonds of the relevant issue or issue programme towards third parties. The representative may act and represent the holders of Belgian covered bonds in any bankruptcy or analogous proceeding, without having to disclose the identity of the holders of Belgian covered bonds.

The representative performs its duties in the sole interest of the holders of Belgian covered bonds and, as the case may be, of other creditors of the special estate it represents.

Stichting KBC Residential Mortgage Covered Bonds Representative has been appointed as representative of the Covered Bondholders in relation to the Programme pursuant to Article 1, 4° of Annex III and Article 14, §2 of Annex III to the Banking Law and Article 7:63 of the Belgian Code of Companies and Associations by the Issuer pursuant to the Representative Appointment Agreement. Its managing director is Amsterdamsch Trustee's Kantoor B.V. The tasks and duties of Stichting KBC Residential Mortgage Covered Bonds Representative as representative of the Covered Bondholders (the **Representative**) are further described in the Belgian Covered Bonds Legislation, the Conditions and the Representative Appointment Agreement.

The Representative may represent and bind the Covered Bondholders within the limits of the powers that are assigned to it (as specified in the Conditions (see Condition 14 (*The Representative*)) and in the Representative Appointment Agreement.

11.4. The Supervisor

The NBB is responsible for supervising compliance with the Belgian Covered Bonds Legislation by issuing credit institutions.

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As noted above, a Belgian credit institution requires a General Authorisation and a Specific Authorisation from the Supervisor to issue Belgian covered bonds. The prior authorisations of the Supervisor relate to, (a) the organisational capacity of the credit institution to issue Belgian covered bonds and to provide the follow up, and (b) whether a particular issue or issue programme complies with the legal requirements.

The appointment of the cover pool monitor must be approved by the Supervisor and the Supervisor appoints the cover pool administrator.

The Supervisor has an important role in the administration of the Belgian Covered Bonds Legislation. For instance the Supervisor:

(a) determines the policy in relation to the Belgian Covered Bonds Legislation and can amend the regulations of the Supervisor in relation to Belgian covered bonds;

(b) gives guidance under the Belgian Covered Bonds Legislation;

(c) maintains a register of issuers and Belgian covered bonds regulated under the Belgian Covered Bonds Legislation;

(d) will undertake an on-going supervisory role with respect to Belgian covered bond issuers; and

(e) has the power to give directions and impose sanctions.

The issuing credit institution and the cover pool monitor have ongoing obligations to provide to the Supervisor periodic information on compliance with the Belgian Covered Bonds Legislation and to inform the Supervisor if the Cover Tests and the Liquidity Test are not or are not likely to be met.

The issuing credit institution needs to periodically demonstrate to the Supervisor that the issued Belgian covered bonds continue to satisfy the requirements imposed by the Belgian Covered Bond Legislation, in particular, by reporting on:

(a) compliance with the requirements regarding the eligibility criteria of the cover assets and the composition of the special estate;

(b) valuation of the cover assets, the compliance with the coverage requirements, the liquidity requirements and the requirements relating to the extendable maturity structures, in particular by reporting on the results of the stress tests in relation to the coverage and liquidity requirements;

(c) compliance with asset segregation requirements, in particular compliance with asset registration requirements;

(d) credit, foreign exchange, liquidity and interest rate risk; and

(e) performance of the tasks of the cover pool monitor.

The issuing credit institution needs to demonstrate to the Supervisor, whenever significant changes are proposed to be made to the Belgian covered bonds, the issuance programme or the related legal documentation, that the Belgian covered bonds continue to comply with the requirements to obtain the General Authorisation and Specific Authorisation;

If applicable, the issuing credit institution needs to take measures to limit interest rate and exchange rate risk. To this effect, the issuing credit institutions must establish a risk policy in order to ensure that in the event of (i) brutal interest rate or exchange rate movements, (ii) significant deterioration in the credit quality of the Cover Assets or (iii) different levels of prepayment rates for the Cover Assets (as further specified in Article 8 of the NBB Covered Bonds Regulations), the liquidity flows generated by the Cover Assets are sufficient to satisfy the Cover Tests and the Liquidity Test.

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If the issuing credit institution is (and remains) unable to meet the requirements which apply to it as issuing credit institution of Belgian covered bonds, the Supervisor can grant a grace period during which this situation must be resolved. If the situation is not resolved after expiry of this grace period, the Supervisor, or, where appropriate, the ECB at the request of the Supervisor, may revoke the General Authorisation or one or more Specific Authorisations. For so long as the issuing credit institution is in breach of the Liquidity Test or Cover Test, it shall not be allowed to issue new Belgian covered bonds, regardless of the granting of any grace period by the Supervisor. In cases of extreme urgency or if the seriousness of the facts justifies such action, the Supervisor or the ECB may proceed with a deregistration without setting a grace period.

A deregistration will be notified by the Supervisor to the European Commission and the European Banking Authority. As a result of this deregistration, the issuer will no longer be entitled to issue Belgian covered bonds. In case it wishes to issue new Belgian covered bonds, the issuing credit institution will again have to comply with all requirements in order to be registered. A deregistration does not affect the holders of outstanding Belgian covered bonds.

The Supervisor can also publish warnings to indicate that a credit institution has failed to comply with the Supervisor's requests to meet the requirements of the Belgian Covered Bonds Legislation within a specified grace period. In addition, as part of its general supervisory function under the Banking Law, the Supervisor can – after hearing or inviting the issuing credit institution for a hearing – impose a fine of maximum EUR 2,500,000 per breach or EUR 50,000 per day of non-compliance.

The Supervisor has the power to impose administrative penalties on issuing credit institutions. Such administrative penalties may range from EUR 2,500 to EUR 2,500,000.

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COVER ASSETS

Main category of Cover Asset – Residential Mortgage Loans

The Special Estate may be composed of assets of each of the five categories (residential mortgage loans (category 1), commercial mortgage loans (category 2), public exposures (category 3) and exposures to credit institutions (category 4). See Section *5* ("*Assets to be Included in the Special Estate*") under "*Summary of the Belgian Covered Bonds Legislation*".

Please see the "*Summary of the Belgian Covered Bonds Legislation*" for a description of the valuation criteria and the Statutory Tests.

The main asset category of the Special Estate will consist of category 1, i.e., Residential Mortgage Loans where the mortgage receivables are secured by a mortgage on residential real estate located in Belgium.

The value of Cover Assets out of this category 1 (Residential Mortgage Loans) must represent at least 85% of the aggregate Principal Amount Outstanding of all Covered Bonds of all Series outstanding (the **85% Asset Coverage Test**).

In addition, the Issuer has undertaken that for so long as the Covered Bonds are outstanding, the Issuer will ensure that the value of the Residential Mortgage Loans registered as Cover Assets in the Register of Cover Assets calculated in accordance with the Belgian Covered Bonds Legislation (and all monies derived therefrom from time to time as reimbursement, collection or payment of interest on the Residential Mortgage Loans) will represent at least 105% of the Series Principal Amount Outstanding of the Covered Bonds of all Series (See Condition 2.6 (*Issuer undertaking*)).

Description of the Residential Mortgage Loans

Interest Rates

The interest rate on each Residential Mortgage Loan has been fixed for an interest period as of the date of the origination of the relevant Residential Mortgage Loan.

The interest period can be equal to the term of the Residential Mortgage Loan, in which case the interest rate is called a fixed interest rate.

If the interest period is not equal to the term of the Residential Mortgage Loan, the interest rate will change at the end of the relevant interest period. The interest period can vary from one to 20 years. In this case, the interest rate is called a variable interest rate. The change to the interest rate is based on the change in an underlying reference index. Changes to the interest rate are subject to a maximum increase and decrease agreed upon origination of the relevant Residential Mortgage Loan. The maximum increase of the interest rate may not exceed the maximum decrease. Furthermore, if the first interest revising period lasts less than 3 years, a variation of the interest cannot have the effect (i) that the interest variation applicable to the second year is higher than 1 percentage point of the initial interest rate; or (ii) that the interest variation applicable to the third year is higher than 2 percentage point of the initial interest rate. In case the initial rate of the loan is lower than the applicable reference index, the rate of the loan cannot be more than doubled. The interest rate cannot be negative.

Upon origination of the relevant Residential Mortgage Loan, the Issuer may grant certain discounts on the initial (fixed or variable) interest rate. Such discounts may be granted depending on, among other things, customer loyalty. The discounts are often granted if the Borrower satisfies and continues to satisfy the conditions for the discount. If the Borrower would no longer satisfy the conditions for the discount, the Issuer may revoke such discount ("conditional" discounts). Beside "conditional" discounts, the Issuer may grant "commercial" discounts which are granted for commercial reasons and which can under no circumstance be withdrawn from the customer.

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Types of Residential Mortgage Loans

The Residential Mortgage Loans can be categorised according to their repayment schedules. The two most commonly used are:

(a) Linear Residential Mortgage Loans (no longer available since February 2017); and

(b) Annuity Residential Mortgage Loans.

The types of Residential Mortgage Loans set forth under (a) and (b) are fully amortising, which means that the repayment schedules are designed so that the amount of the outstanding balance of the Residential Mortgage Loans is zero after the last scheduled periodical payment has been made.

A Linear Residential Mortgage Loan is a Residential Mortgage Loan under which the Borrower (re)pays periodically a fixed amount of principal plus interest. Due to the gradually decreasing outstanding principal balance, the interest payments decrease proportionally. As a result, the gross mortgage payments (repayment of principal plus interests) decrease over time.

An Annuity Residential Mortgage Loan is a Residential Mortgage Loan under which the Borrower repays periodically and degressively a fixed gross (repayment of principal plus interests) payment. With an Annuity Residential Mortgage Loan, the interest payments decrease over time, whereas the repayments of principal increases over time.

Residential Mortgage Loans with other repayment schedules such as Residential Mortgage Loans with progressive repayments (this type of repayment is no longer sold since February 2015) and with monthly interest-only instalments are also possible.

Loan Security

Each Residential Mortgage Loan is secured by:

(a) a first ranking mortgage; and/or

(b) a lower ranking mortgage provided that the Issuer also has the benefit of all higher ranking mortgages on the same real estate and, as the case may be, a mandate to create mortgages (mortgage mandate).

Mortgage

A mortgage creates a priority right to payment out of the mortgaged assets, subject to mandatory statutory priorities (including beneficiaries of prior ranking mortgages).

Each Residential Mortgage Loan is secured by a mortgage which is used to also secure all other amounts which the Borrower owes or in the future may owe to the Issuer, a so-called all sums mortgage (*alle sommen hypotheek/hypothèque pour toute somme*) (**All Sums Mortgage**). Part of the Residential Mortgage Loans relate to facilities which have the form of a revolving facility (*kredietopening/ouverture de crédit*). The mortgage that is granted as security for this type of loan is used to secure all advances (*voorschotten/avances*) made available under such revolving facility.

Pursuant to Article 81quater and 81quinquies of the Law of 16 December 1851 on mortgages (the **Mortgage Law**) a receivable secured by an All Sums Mortgage which is registered in the Register of Cover Assets shall rank in priority to any receivable which arises after the date of the registration and which is also secured by the same All Sums Mortgage. Whereas the receivable registered in the Register of Cover Assets ranks in priority to further loans, it will have equal ranking with loans or debts which existed at the time of the registration and which were secured by the same All Sums Mortgage, unless stipulated otherwise in the issue conditions.

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Pursuant to Article 81*quater* §2 of the Mortgage Law, advances granted under a revolving facility secured by a mortgage can be registered in the Register of Cover Assets. The advance will benefit from the privileges and mortgages securing the revolving facility. The advance registered in the Register of Cover Assets will rank in priority to further advances that are granted after the date of registration. However, an advance registered in the Register of Cover Assets will have equal ranking with other advances which existed at the time of the registration transfer and which were secured by the same Mortgage, unless stipulated otherwise in the issue conditions.

Condition 12.3 of the Conditions provides that if a security interest (including any mortgage and mortgage mandate) secures both Cover Assets and assets in the General Estate, all sums received out of the enforcement of the security interest will be applied in priority to satisfy the obligations in relation to the Cover Assets. Any proceeds of enforcement of such security interest can only be applied in satisfaction of the obligations of the relevant assets in the General Estate once all sums owed to the Special Estate in respect of the relevant Cover Assets are irrevocably repaid in full.

Mortgage Mandate

A mortgage mandate is often used in addition to a mortgage to limit registration duties payable by the Borrower.

A mortgage mandate does not create an actual security interest and does not therefore create an actual priority right of payment out of the proceeds of a sale of the mortgaged assets. The mortgage mandate is an irrevocable mandate granted by a Borrower or a third party collateral provider to certain attorneys to create a mortgage as security for the Residential Mortgage Loan and all other amounts which the Borrower owes or in the future may owe to the Issuer. Only after creation of the mortgage, the beneficiary of the mortgage will have a priority right to payment out of the proceeds of a sale of the mortgaged assets. See further *Risk Factors – Mortgage Mandates*.

Other Loan Security

The mortgage loans may, as the case may be, be further secured by:

(a) life insurance policies and hazard insurance policies;

(b) an assignment of salary by the Borrower; and/or

(c) any pledge, set-off or unicity of account rights of the Issuer pursuant to its applicable general banking terms and conditions.

In accordance with Article 3, §5 of the Covered Bonds Royal Decree, the Issuer has the necessary procedures in place to monitor the historic loss incurred by property damage. Furthermore, all mortgaged assets are properly insured against the risk of damage, either via an individual damage insurance concluded by the owner of the property, either via an umbrella policy to cover all mortgaged assets without an individual damage insurance.

Pursuant to Article 3, §2, 3° of Annex III to the Banking Law all security interests and sureties, guarantees or privileges under whichever form that have been granted in relation to Cover Assets as well as rights under insurance policies and other contracts in relation to the Cover Assets or the management of the Special Estate are automatically part of the Special Estate.

Origination process of the assets

2. UNDERWRITING AND APPROVAL PROCESS

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2.1. Application process

The Issuer has 3 channels to introduce a home loan application:

(a) Through its **local branch** network where the loan application must be registered by the Home loan expert in the Issuer's electronic registration system "KPD" (*Kredieten Particuliere Doeleinden*, transl. Retail purpose loans).

(b) Through the Issuer's **contact centers** which sell KBC products by phone, chat or videochat ("KBC Live") where the loan application must be registered by the Home loan expert in the contact center in the Issuer's electronic registration system "KPD" (around 69% of home loan applications start in a local branch or a contact centre of the Issuer);

(c) Through the Issuer's **digital channels** KBC Touch (for customers on desktop or tablet), KBC Mobile (for customers on smartphones) and internet for prospects (around 31% starts in one of these digital channels). These digital applications are also automatically registered in KPD. They are handled by the Home loan expert in the Issuer's contact centers ("KBC Live").

The applicant must provide, with documentary evidence where necessary, information on the project, personal data (income, family situation, etc) as well as information on assets and liabilities. Since May 2015, this information is digitally stored. A financing scheme and the terms of the mortgage are agreed between the borrower and the bank. The borrower certifies the accuracy of the information by signing the application form.

The local branches take a decision in more than 80 % of the applications. The remainder of applications are decided at headquarters.

2.2. Debt-service-to-income ratio (DSTI)

To estimate the repayment capacity of the borrowers the Issuer uses a double guideline:

(a) minimum household-budget (= income after deduction of loan-payments):

In case of 1 borrower the minimum household budget must be at least 800 euro, in case, of 2 or more borrowers 1100 euro. This amount is increased by 350 euro in case of children.

(b) DSTI

Since May 2018, the Issuer also takes into account the DSTI, which is calculated as total monthly debt of the borrowers / total monthly net income.

In case of a high DSTI the application is refused or the decision is taken at head office of the Issuer.

2.3. Loan-to-value ratio (LTV)

Loan-To-Value:

- Loan = new loan + outstanding home loan(s)
- Value = selling value of all immovable assets as collateral

Customers can apply over time for different loans; each application can consist of different agreements which leads to different calculations.

According to internal guidelines of the Issuer, the maximum LTV should not exceed 100%. Since January 2019, the maximum LTV has been decreased to 90%. In case of a second

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residence or investment property the maximum LTV is 80%. In case of a bullet loan (i.e. a loan where only interest is paid on a monthly basis, and the principal is repaid at maturity of the loan), the LTV is maximum 70%. For some target groups (i.e. private and premium banking customers, Top MVB (Medical free profession), young customers with high potential and EU employees) exceptions can be made.

The LTV is integrated as a policy rule in the application process. In case the LTV exceeds the above mentioned standard percentages, the outcome of the decision engine is a formal refusal. In case the customer is eligible for an exception, the decision is taken at headquarters.

More information regarding the current LTV can be found in the most recent Investor Report.[8]

2.4. Property valuation

The Issuer uses internal valuation models. Since the introduction of the EBA guidelines on Loan Origination and Monitoring KBC obtains an independent appraisal of the real estate for each new mortgage.

2.5. Credit History

Before taking a decision, the KPD registration system automatically checks the borrower in the internal Risk and Damage database (*Risico en Schade Bestand* or RSB) and the external Retail Loan database (*Centrale voor Kredieten aan Particulieren* or CKP). This external database contains negative and positive external information. The information from the CKP database is compared with the information the borrower has provided to the Issuer. When negative information is available in CKP, the loan will automatically be declined. If a loan is declined on the basis of this negative information, the applicant can file a new application with the Head Office directly, and can, exceptionally, still be granted a loan if there is proof that the financial problems are solved.

2.6. Income check

The borrower's income is verified from an original pay stub or bank statement or other means deemed appropriate. The income must be registered in the KPD registration system. A proof of the income (pay stub or bank statement) has to be kept in the (electronic) credit application file (at the head office) (unless the salary is collected on a KBC bank account). The Issuer's head office checks whether it has received these documents in the file.

For existing customers we calculate, if possible, an average monthly income, based on the transactions on their KBC-account (exception: self-employed borrowers). If the income declared by the borrowers in the loan application equals the calculated average income, no pay stub is needed.

2.7. Approval process

The collected information that is registered in the KPD registration system is used for a first risk assessment. On the basis of the risk assessment and the analysis of the guarantees, the KPD registration system automatically delivers a "decision advice". Delegation authority restrictions are based on this advice. The decision advice provides the loan manager with an indication as to whether a loan can be given or not. In some cases a home loan expert with more decision delegation has to take the decision. In other cases (approx. 10%) the decision must be taken at the head offices of the Issuer.

[8] The Investor Reports are not incorporated in and do not form part of this Base Prospectus and they have not been and will not be scrutinised or approved by the FSMA.

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2.8. Property valuation

The Issuer uses primarily internal valuation models for each property to be. The guidelines for valuation at origination of the loan are the following:

For the **purchase of an existing home or building plot**, the sale price of that property (as registered in the sales agreement) is used as a proxy for the market value of the home at the time of purchase.

For **new properties**, the plans and the cost estimate made by the architect (the specifications) are reviewed by the Issuer. The property is valued as follows:

- 100% of the value of the building plot (valuation as described above); and
- 90% of the specifications (inclusive of VAT).

For **renovating an existing property**, the plans and the cost estimate by the architect (the specifications) will be reviewed by the Issuer. The property is valued as follows:

- 100% of the estimated value of the existing property; and
- 75% of the specifications (inclusive of VAT).

Since June 2021, for new mortgages an appraisal of the real estate is obtained in line with the EBA guidelines for loan origination and monitoring. The independent appraisal can be internal or external and can use appraisal model.

3. DISBURSEMENT OF FUNDS

For the purchase of a home, full disbursement (by bank cheque or by transfer) is made following the execution of the (notarial) deed.

If the loan is used for building or renovating a home, funds can only be drawn down by presenting bills showing the purpose of the loan granted. The funds are transferred to the borrower's account and the borrower has to pay the supplier or furnisher. The funds must be drawn down within 24 months after the date of the (notarial) deed. The borrower only pays interest on the portion of the loan which has been drawn. From the beginning of the sixth month after the (notarial) deed has been executed, the borrower must pay a commitment fee on the amount of the loan which has not yet been drawn down.

4. COLLECTION OF PAYMENTS

Payments of interest and principal are made by direct debit from bank account or savings account held with the Issuer on a monthly basis.

5. SALES CHANNELS

Mortgage loans are originated entirely through the Issuer's office network and its digital applications. No agents or brokers are used.

6. CHARACTERISTICS

Credit facility agreement (*kredietopening*)

The Issuer enters into a "credit facility agreement" with the borrower, under which the borrower has the right to draw down one or more advances up to the agreed maximum amount of the facility. Each "advance" is a loan with its own characteristics. The mortgage secures all the advances made pursuant to the credit facility.

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There are two kinds of credit facility agreements in the Issuer's portfolio:

(a) From 1 September 1998 to 5 December 2004: a credit facility agreement under which the borrower had the right to draw down from time to time one or more advances up to the agreed maximum amount of the facility. Each advance was a loan with its own characteristics. The mortgage secured all the advances made pursuant to the credit facility. The borrower could ask for one or more advances up to the agreed maximum amount of the facility (the bank had to agree on every advance). The term of the credit facility agreement was unlimited.

(b) From 6 December 2004: a credit facility agreement under which the borrower has the right to draw down one or more advances within a limited period (30 years) after granting the credit facility agreement. Thereafter no more advances can be drawn down. The term of the credit facility agreement is limited to the term of the advance with the longest duration.

Characteristics of the Advances

Characteristics	**Possibilities**
Repayment schemes	equal instalments ("annuity" method)
	equal principal repayments ("linear" method) (no new loans since February 2017)
	progressive repayments (no new loans since February 2015)
	monthly interest only instalments (not frequent) (not included in the Cover Assets)
	bridging loans (not included in the Cover Assets)
Formulae of "variability"	annually (1-1-1)
	every three (3) years (3-3-3)
	every five (5) years (5-5-5)
	every five (5) years after an initial period of ten (10) years (10-5-5) (only in portfolio- no new loans since February 2015)
	every five years after an initial period of twenty (20) years (20-5-5) (only in portfolio- no new loans since February 2015)
	fixed rates (from 3 to 25 years)
Caps and Floors	cap and floor for variable rate loans:
	1. +5%/-5% pa
	2. +2%/– unlimited downward
	3. +0%/– unlimited downward (only in portfolio)
	4. +3%/-3%

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Characteristics	Possibilities
Formula of revision	for advances under the mortgage law from 1998: $MR_1 = MR_0(I_1 - I_0)$ where: I_0 is the monthly based reference index as specified in the original contract I_1 is the monthly based reference index of the month preceding the month of the interest rate review The reference indexes are official indexes specified on a monthly basis by the Belgian government and published in the Belgian Official Gazette MR_1 is the new monthly interest rate MR_0 is the monthly interest rate originally agreed for the first period. For advances under the mortgage law from 1992: $MR_1 = \frac{MR_0 \times I_1}{I_0}$ where: I_0 is the yearly based reference index as specified in the original contract I_1 is the yearly based reference index of the second month preceding the month of the interest rate review The reference indexes are official indexes specified on a monthly basis by the Belgian government and published in the Belgian Official Gazette MR_1 is the new monthly interest rate MR_0 is the monthly interest rate originally agreed for the first period.
Amount (size of the advance)	minimum Euro 2,500 maximum depending on purpose, guarantees and debt-to-income ratio (DSTI)
Maturity	maximum 25 years

The Issuer also provides bridge loans to finance the period between the purchase of a new home and the sale of the previous home. Bridge loans have a maturity of a maximum of one year. Principal and interest are paid at the same time when the funds of the new mortgage loan are available. A prepayment penalty (a reinvestment fee) is not paid by the borrower in case of early repayment on a bridge loan.

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Security and insurance

A right to attach the customer's salary in case of default can be granted to the Issuer at the time of the loan origination. This clause is part of the contract, which the customer signs at the inception of the loan. In the event the customer is married, Belgian law requires that both spouses sign the loan documentation, including the above mentioned clause.

A mortgage is a security that is often used in Belgium because of the benefit of a tax deduction or tax credit with respect to interest and principal which only exists if a home loan is accompanied by a mortgage. The majority of the residential mortgage loans of the Issuer are secured by a mortgage. For new home loans since 1 January 2020, the tax deduction options have been drastically reduced. A very limited portion of the Issuer's residential mortgage loans are granted without a mortgage. In that case, a "power of attorney" or "mortgage mandate" (in the form of a notarial deed) to create a mortgage is granted by the customer to the Issuer. This process can be used for very creditworthy customers to reduce the mortgage registration costs. A combination of a mortgage (for a limited amount) and a mortgage mandate is becoming the norm in the current market.

Since 1995, a "negative pledge agreement" is included in the home loan documentation of the Issuer. This clause generally stipulates that the customer, (a) promises not to grant another mortgage on the same property to another bank, and (b) promises not to sell the property.

A credit insurance in connection with its mortgages is not compulsory. However, most borrowers understand the advantage of maintaining an insurance policy. Neither the life insurance nor the hazard insurance policy is annexed to the notary deed.

Discounts

Most financial institutions apply a basic rate for their mortgage loans. Loyal and/or lower-risk customers can be granted a more favourable arrangement.

A distinction is made between "conditional" discounts and "commercial" discounts.

A "conditional" discount is a discount that depends on one or more conditions (i.e., taking out a life or hazard insurance policy). As long as the conditions are fulfilled, the conditional discount is granted. From the moment one of the conditions is no longer satisfied, the discount no longer applies.

A "commercial" discount is a discount that is granted to the customer for commercial reasons, i.e. to convince him to take the loan with the Issuer. Once a "commercial" discount is granted, it can under no circumstances be withdrawn from the customer.

Until 5 December 2006, the Issuer had only applied commercial discounts. From 5 December 2006, a combination of conditional and commercial discounts is possible.

Prepayments

A borrower may repay his/her mortgage loan in part or in full at any time (see Article VII.145 of the Belgian Code of Economic Law).

In case of a partial repayment, the borrower can choose either to shorten the maturity of the mortgage loan (and thus keep the same monthly payments as scheduled) or reduce the amount of the monthly payments (and thus keep the maturity as scheduled).

The borrower must pay a prepayment penalty (a reinvestment fee) equivalent to three months of interest on the amount of principal prepaid.

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Monitoring of the performance of the Cover Assets (delinquencies, LTV)

(a) Credit risk monitoring and follow-up: various phases

Credit risk management of delinquent borrowers (i.e., borrowers who are in arrears on their mortgage loan or on any other credit product) can be divided into a number of phases:

(i) the Monitoring Phase;

(ii) the Special Mention Phase;

(iii) the Possible Loss Phase;

(iv) the Irrecoverable Phase; and

(v) the Write-off Phase.

(b) Separation of responsibilities between local offices and head office

In the Monitoring Phase, the local office is responsible for the credit risk supervision and is the point of contact for the borrower.

As soon as the credit risk is in the Special Mention Phase, the head office is responsible for supervision. As from that moment, the responsibility of the local office is limited to providing relevant information to the head office.

(c) Start of credit risk monitoring – automatic processes

Credit risk monitoring and follow-up is triggered by risk warning signals. For mortgage loans, these signals arise primarily from the detection of arrears in payment.

Supervision is backed up by automatic processes. The main automatic processes are:

(i) the monthly review of the credit portfolio: at the end of the month, the entire credit portfolio is scanned. If a borrower is more than five days in arrears with at least one credit product, an electronic file is created and sent to the Monitoring Phase;

(ii) the daily review of the credit portfolio: each day, the entire credit portfolio is scanned. If a borrower is a certain number of days overdue on at least one credit product, the file is allocated to the head office and transferred to the Special Follow-up Phase. For mortgage loans, this occurs automatically after the borrower is 45 days in arrears; and

(iii) the dunning procedure: borrowers are sent reminders about their delinquent credit situation. The letters are individualised per credit product. For mortgage loans, 15 days after non-payment of the instalment, a friendly reminder is sent. If the borrower fails to pay the arrears, a notice of default is sent to the borrower by registered mail after he/she has been in arrears for 35 days. This notice of default is repeated every month until the arrears are paid or the credit product becomes due and payable.

(d) The Monitoring Phase

Since mid 2021, the whole credit risk monitoring and follow-up process has been centralised at head office. At the beginning of each month, there is a screening of those

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customers for whom a new electronic file has been created. The employees at head office can check the status of the followed-up customers in a special IT application.

Each month, a list of borrowers who are monitored is created. Based on this selection, the employees at head office can take a number of measures:

(i) contact the borrower personally (by telephone);

(ii) set-off the arrears against credit balances on the borrower's accounts, subject to certain legal limits;

(iii) make arrangements with the customer to clear the arrears or change the repayment schedule of the mortgage loan;

(iv) create an additional mortgage by exercising the mortgage mandate, if any;

(v) encourage the borrower to sell his property voluntarily;

(vi) encourage the borrower to transfer his credit to another financial institution.

The employee records the actions taken in the electronic file of the customer.

If it is not possible to normalise the delinquent credit situation, the borrower's file is transferred to the next follow-up phase.

(e) The Special Mention Phase

The borrower's file is automatically transferred to the Special Mention Phase when he/she becomes delinquent on at least one credit product for a certain number of days. For mortgage loans, the transfer to the Special Mention Phase occurs after the borrower is 45 days in arrears.

The files of the borrowers can also be transferred to the Special Mention Phase sooner:

(i) at the request of the employee at head office;

(ii) if the employee at head office makes arrangements with the borrower to clear the arrears on his/her mortgage loan; and

(iii) if serious credit events occur (for example, fraud).

In this phase, the head office will endeavour to have the borrower regularise his/her delinquent status. The measures are similar to those listed for the monitoring phase. Employees can consult the electronic file in order to know which measure has already taken.

As from this phase, all accounts of the borrower (with or without an overdraft facility) are automatically blocked in order to avoid additional limit overruns.

(f) The Possible Loss Phase

The borrower is transferred to the Possible Loss Phase if, at the end of the month, he/she has been delinquent on at least one credit product for at least 90 days.

This phase is an extension of the Special Mention Phase.

In this phase the head office tries to normalise the borrower's status. If it does not succeed, the credit products on which the borrower is in arrears are accelerated to the extent contractually and legally possible.

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(g) Conciliation proceeding

For mortgage loans, as a rule, legal conciliation proceedings are initiated before the loan is accelerated. The conciliation proceedings are initiated once the borrower has missed three complete repayment instalments. The conciliation phase can last for three months.

In the conciliation proceeding, the borrower is required to appear before the competent court (Court of first instance) in order to provide the Issuer with the possibility to foreclose the mortgaged assets.

If the court rules that no conciliation is possible, the Issuer accelerates the loan without delay. If the court rules in favour of conciliation, the borrower has a certain period in which to pay the instalments that are in arrears. If the borrower subsequently fails to comply with the payment arrangements, the Issuer is entitled to accelerate the loan immediately.

(h) The Irrecoverable Phase

A borrower is transferred to the Irrecoverable Phase when the Issuer is required to terminate the credit agreement or when there is no possibility of recovering the debt via the usual procedures.

For mortgage loans, the rule is that the loan is accelerated if the court rules that no conciliation is possible or if the borrower fails to comply with the payment arrangements imposed by the court (see paragraph ((g))).

The consequences of the irrecoverable classification are:

(i) the credit is transferred from the normal accounting system to default claims accounting;

(ii) a special debt recovery account is opened. All future repayments are transferred to this account; and

(iii) specific provisions are booked.

The head office has a number of alternatives to recover these mortgage loans. Procedures are conducted as a matter of principle at the lowest expense for both the Issuer and the borrower:

(A) payment arrangements may be allowed;

(B) an application can be submitted to exercise the mortgage mandate, if any, to create a mortgage;

(C) the borrower can be encouraged to sell his/her property voluntarily;

(D) the borrower can be encouraged to transfer his/her loan to another financial institution;

(E) notice can be served on the borrower's employer with a view to assigning the borrower's salary; and

(F) the file can be transferred to an attorney to commence the forced sale of the property.

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The repayment of these mortgage loans generally occurs through a voluntary or forced sale of the mortgaged property. If the proceeds of the foreclosed property do not cover the outstanding amount of the mortgage loan, payment arrangements are discussed with the borrower.

A property is foreclosed on average after two to three years.

(i) The Write-off Phase

A borrower's file is transferred to the Write-off Phase if there is no longer any possibility of recovering the debt via the usual procedures. The claims outstanding in this case are written off. For mortgage loans, this is the balance remaining after the mortgaged property has been sold.

The Issuer must be able to justify the write-off to the tax authorities:

(i) the Issuer holds a certificate of uncollectibility (from a bailiff);

(ii) the payments received are not sufficient to pay accruing interest (these are perpetual payment arrangements);

(iii) the borrower's name has been officially removed from registers of births, deaths and marriages (in other words, has gone missing);

(iv) the amount of the claim is not significant enough to justify the expense of active follow-up;

(v) the claim is forgiven by law (for example, under a collective debt settlement or if a bankrupt's debts are excused);

(vi) the borrower has died and left no heirs; or

(vii) the Issuer has reached a compromise settlement with the borrower.

In this phase it is still possible to make new payment arrangements on demand of the customer.

(j) Collective debt settlements

The Act of 5 July 1998 on collective debt settlement for private persons has been in effect since 1 January 1999. This legislation is designed to enable individuals with excessive and structural debt problems to clear this debt. If a borrower starts such proceedings, this affects credit risk supervision. All ongoing legal procedures are suspended immediately. The competent court will in principle allow an out of- court settlement. If this is not possible, it imposes a court settlement (with a maximum term of five years). If the borrower has a mortgage loan, the court will generally decide that the credit repayments must continue to be made on the relevant due dates to enable the borrower to continue to occupy the home. In this case, the mortgage loan is not treated as irrecoverable, but will continue to be considered a normal credit.

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TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which, as completed by the applicable Final Terms in relation to any Tranche of Covered Bonds, will apply to the Covered Bonds. Reference should be made to Form of the Final Terms for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Tranche of Covered Bonds.

*The applicable Final Terms in relation to any Tranche of Covered Bonds may, in the case of any Covered Bonds which are neither to be admitted to trading on a regulated market within the European Economic Area nor offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Regulation (**Exempt Covered Bonds**), specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Exempt Covered Bonds. The Exempt Covered Bonds that may be issued under the Programme (as defined below) will be subject to the Programme Common Terms (as defined below).*

The Issuer may also issue from time to time Covered Bonds under the Programme which shall be subject to terms and conditions and/or final terms not contemplated by this Base Prospectus. In such circumstances, the relevant forms of terms of such Covered Bonds will be set out in a schedule to the Programme Common Terms Agreement (as defined below).

KBC Bank NV (**KBC Bank** or the **Issuer**) has established a Residential Mortgage Covered Bonds Programme (the **Programme**) for the issuance of Belgian *pandbrieven/lettres de gage* governed by the Banking Law (as implemented in Articles 79 to 84/1 of the Banking Law and in Annex III to the Banking Law) as subsequently amended and/or supplemented from time to time.

The National Bank of Belgium (*Nationale Bank van België/Banque nationale de belgique*) (the **NBB**), as Supervisor has admitted the Issuer to the list of credit institutions that have obtained the authorisation to issue Belgian covered bonds pursuant to Article 80, §1 of the Banking Law on 6 November 2012. The Programme has been admitted by the NBB to the list of authorised programmes for issue of *Belgische pandbrieven/lettres de gage* pursuant to Article 81, §1 of the Banking Law on 6 November 2012. Upon so being notified by the Issuer, the NBB shall regularly update such list with the Covered Bonds issued under the Programme and shall indicate that the Covered Bonds constitute Belgian *pandbrieven/lettres de gage* under the Belgian Covered Bonds Legislation.

As used herein, **Tranche** means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are, (a) expressed to be consolidated and form a single series, and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Each Tranche is the subject of a Final Terms (hereinafter the **Final Terms**) which completes these terms and conditions (hereinafter the **Conditions**). The terms and conditions applicable to any particular Tranche of Covered Bonds are these Conditions as completed by the applicable Final Terms.

All subsequent references in these Conditions to **Covered Bonds** are, unless the context otherwise requires, to the Covered Bonds of the relevant Series.

The relationship between the Issuer and KBC Bank as paying agent, listing agent and registrar (hereinafter the **Paying Agent,** the **Listing Agent** and the **Registrar** which expression includes any successor agent or registrar appointed from time to time in connection with the Covered Bonds) and the other paying agents named in the agency agreement (together with the Paying Agent, the Listing Agent and the Registrar, the **Agents**, which expression includes any successor agent appointed from time to time in connection with the Covered Bonds) is determined in accordance with an agency agreement made between the Issuer, KBC Bank and the Representative initially dated 21 November 2012 (such

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agency agreement as modified and/or supplemented and/or restated from time to time and most recently on 1 July 2025, the **Agency Agreement**).

The Representative acts as representative of the Covered Bondholders (and of any other creditors that are holders of claims covered by the Special Estate and that have agreed to be so represented) within the meaning of Article 1, 4° of Annex III to the Banking Law in accordance with the provisions of the representative appointment agreement initially dated on 21 November 2012 (such representative appointment agreement as modified and/or supplemented and/or restated from time to time and most recently on 1 July 2025, the **Representative Appointment Agreement**) made between the Issuer and Stichting KBC Residential Mortgage Covered Bonds Representative as representative (in such capacity the **Representative**, which expression shall include any successor Representative) under the Belgian Covered Bonds Legislation.

The Cover Pool Monitor has been appointed as cover pool monitor in relation to the Special Estate (as defined below) pursuant to Article 16, §1 of Annex III to the Banking Law and the Belgian Covered Bonds Legislation.

Pursuant to a programme common terms agreement entered into between the Issuer and the Representative initially dated 21 November 2012 (such programme common terms agreement as modified and/or supplemented and/or restated from time to time and most recently on 1 July 2025, the **Programme Common Terms Agreement**), all Covered Bonds issued under the Programme shall be subject to and have the benefit of certain programme common terms regardless of whether the Covered Bonds are issued under the Base Prospectus or not.

The relationship between the Issuer and the NBB as operator of the Securities Settlement System (as hereinafter defined) in relation to the clearing of the Dematerialised Covered Bonds is governed by a clearing services agreement (such clearing services agreement as modified and/or supplemented and/or restated from time to time, the **Clearing Services Agreement**) entered into between the Issuer, the Paying Agent and the NBB on 4 November 2016 and the Settlement System Regulations (as hereinafter defined).

The Issuer or, upon its appointment by the Supervisor, the Cover Pool Administrator may, from time to time during the Programme, enter into interest rate swap agreements, FX swap agreements and covered bonds swap agreements (each a **Derivative Contract** and together the **Derivative Contracts**) with one or more various swap providers (each a **Derivative Contract Counterparty** and together the **Derivative Contract Counterparties**) for the purpose of, *inter alia*, protecting itself against certain risks (including, but not limited to, interest rate, liquidity and credit) related to the Cover Assets and/or the Covered Bonds (as defined below).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of:

(a) the Agency Agreement;

(b) the Representative Appointment Agreement;

(c) the Programme Common Terms Agreement; and

(d) the Clearing Services Agreement.

The Agency Agreement, the Representative Appointment Agreement, the Programme Common Terms Agreement, the Clearing Services Agreement, each of the Final Terms, any Derivative Contract and any additional document entered into in respect of the Covered Bonds and/or the Special Estate and designated as a Programme Document by the Issuer and the Representative, are together referred to as the **Programme Documents**.

Copies of the Programme Documents are available for inspection during normal business hours at the registered office of the Issuer and at the Specified Office of the Paying Agent and copies may be

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obtained from those offices save that, if the relevant Covered Bond is an Exempt Covered Bond, the applicable Final Terms will only be obtainable by a Covered Bondholder holding one or more Covered Bonds and such Covered Bondholder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of such Covered Bonds and identity. The Covered Bondholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. By subscribing for or otherwise acquiring the Covered Bonds, the Covered Bondholders will also be deemed to have knowledge of, accept and be bound by all the provisions of, the other Programme Documents.

Where these Conditions refer to any computation of a term or period of time, Article 1.7 of the Belgian Civil Code (as defined below) shall not apply to the extent inconsistent with these Conditions.

1. INTERPRETATION

Definitions

In these Conditions the following expressions have the following meanings:

Accrual Yield has, in relation to a Zero Coupon Covered Bond, the meaning given in the applicable Final Terms.

Banking Law means the Belgian law of 25 April 2014 on the status and supervision of credit institutions (*Wet van 25 april 2014 op het statuut van en het toezicht op de kredietinstellingen/Loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit*), as amended from time to time.

Base Prospectus means the base prospectus in relation to the Programme dated 26 June 2025, as amended/supplemented from time to time.

Belgian Civil Code means the Belgian *Burgerlijk Wetboek/Code Civil* of 13 April 2019, as amended from time to time.

Belgian Code of Companies and Associations means the Belgian *Wetboek van Vennootschappen en Verenigingen / Code des Sociétés et des Associations* of 23 March 2019, as further amended, supplemented and/or replaced from time to time.

Belgian Covered Bonds Legislation means the relevant provisions on the issuance of covered bonds as incorporated in the Banking Law, in particular in Book II, Title II, Chapter IV, Section III and in Annex III, the Mobilisation Law, the Covered Bonds Royal Decree, the Cover Pool Administrator Royal Decree, the NBB Covered Bonds Regulation, the NBB Cover Pool Monitor Regulation and any other law, royal decree, regulation or order that may be passed or taken in relation to Belgian covered bonds.

Business Day means:

(a) in relation to any payment to be made or action to be taken in or through the Securities Settlement System: a day (other than a Saturday or Sunday) on which the Securities Settlement System is operating;

(b) for any other purpose: a day (other than a Saturday or Sunday) on which:

  (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Brussels, Belgium and in each Additional Business Centre specified in the applicable Final Terms; and

  (ii) a day on which T2 is open.

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Calculation Agency Agreement means any calculation agency agreement that may be entered into by the Issuer with a third party in relation to the Covered Bonds.

Calculation Agent means the Issuer or any calculation agent appointed by the Issuer pursuant to a Calculation Agency Agreement, as specified in the applicable Final Terms.

Cover Assets means Residential Mortgage Loans that are registered in the Register of Cover Assets and all other assets listed in Article 1/2 of Annex III to the Banking Law that are included in the Special Estate pursuant to Article 3 of Annex III to the Banking Law.

Cover Pool Administrator means any person or persons appointed (and any additional person or persons appointed or substituted) as a cover pool administrator (*portefeuillebeheerder/gestionnaire de portefeuille*) by the Supervisor pursuant to Article 8, §1 of Annex III to the Banking Law.

Cover Pool Administrator Royal Decree means the Belgian Royal Decree of 11 October 2012 on the cover pool administrator in the context of the issue of Belgian covered bonds by a Belgian credit institution *(Koninklijk Besluit van 11 oktober 2012 betreffende de portefeuillebeheerder in het kader van de uitgifte van Belgische covered bonds door kredietinstellingen naar Belgisch recht/Arrêté Royal du 11 octobre 2012 relatif au gestionnaire de portefeuille dans le cadre de l'émission de covered bonds belges par un établissement de crédit de droit belge*), as amended by the Belgian Royal Decree of 27 January 2022, as from time to time further amended and/or supplemented.

Cover Pool Creditors means the Covered Bondholders and the Other Cover Pool Creditors.

Cover Pool Monitor means a cover pool monitor (*portefeuilesurveillant/surveillant de portefeuille*) appointed in accordance with Article 16, §1 of Annex III to the Banking Law and its representative (as approved by the NBB, in its capacity as Supervisor, in accordance with the Belgian Covered Bonds Legislation).

Covered Bondholders or **holders of Covered Bonds** means the person in whose name a Registered Covered Bond is registered or, as the case may be, the holders from time to time of Dematerialised Covered Bonds as determined by reference to the records of the relevant clearing systems or financial intermediaries and the affidavits referred to in Condition 2 (*Type, Form, Denomination and Title*).

Covered Bonds Royal Decree means the Belgian Royal Decree of 11 October 2012 on the issue of Belgian covered bonds by Belgian credit institutions (*Koninklijk Besluit van 11 oktober 2012 betreffende de uitgifte van Belgische covered bonds door kredietinstellingen naar Belgisch recht/Arrêté Royal du 11 octobre 2012 relatif à l'émission de covered bonds belges par des établissements de crédit de droit belge*) as amended by the Belgian Royal Decree of 27 January 2022, as from time to time further amended and/or supplemented.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period in accordance with Condition 4.2 (*Interest on Floating Rate Covered Bonds*):

(a) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(b) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

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(c) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(d) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

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

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless that day is the last day of February or such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless that day is the last day of February but not the Final Maturity Date or such number would be 31, in which case D_2 will be 30; and

(g) if **1/1** is specified in the applicable Final Terms, 1.

Dematerialised Covered Bonds has the meaning given in Condition 2.2 (*Form*).

Determination Date has the meaning given in the applicable Final Terms.

Determination Period means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including where either the Interest Commencement Date or if the final Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

Early Redemption Amount means the amount calculated in accordance with Condition 6.3 (*Early Redemption Amounts*).

Eligible Investor means a person who is entitled to hold securities through a so-called "X-account" (being an account exempted from withholding tax) in a settlement system in accordance with Article 4 of the Belgian Royal Decree of 26 May 1994 on the collection and refund of withholding tax (as amended, supplemented and/or replaced from time to time).

Euro or **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty, as amended, supplemented and/or replaced from time to time.

Eurozone means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

Event of Default has the meaning given in Condition 8.1 (*Events of Default*).

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Excess Swap Collateral means an amount equal to the value of any collateral transferred to the Issuer by the Derivative Contract Counterparty under the Derivative Contract that is in excess of the Derivative Contract Counterparty's liability to the Issuer thereunder, (a) as at the termination date of the transaction entered into under such Derivative Contract, or (b) as at any other date of valuation in accordance with the terms of the Derivative Contract.

Exempt Investor has the meaning given in Condition 7 (*Taxation*).

Extraordinary Resolution has the meaning given in the Meeting Rules of Covered Bondholders.

Final Redemption Amount has the meaning given in the applicable Final Terms.

Fixed Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with Condition 4.1 (*Interest on Fixed Rate Covered Bonds*):

(a) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:

(i) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of, (A) the number of days in such Determination Period, and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of, (I) the number of days in such Determination Period, and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of, (I) the number of days in such Determination Period, and (II) the number of Determination Dates that would occur in one calendar year;

(b) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of, (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366, and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(c) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(d) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

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(e) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

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

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless that day is the last day of February or such number would be 31, in which case D_1 will be 30;

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless that day is the last day of February but not the Final Maturity Date or such number would be 31, in which case D_2 will be 30; and

(h) if **1/1** is specified in the applicable Final Terms, 1.

General Estate means the estate of the Issuer excluding any special estate(s) of the Issuer constituted pursuant to Article 3 of Annex III to the Banking Law.

Interest Commencement Date means, in the case of interest-bearing Covered Bonds, the date specified in the applicable Final Terms from (and including) which the relevant Covered Bonds will accrue interest.

Interest Determination Date has the meaning specified in the applicable Final Terms.

Interest Payment Date means, in the case of interest-bearing Covered Bonds, the Interest Payment Date(s) in each year specified in the applicable Final Terms.

Interest Period means, in the case of interest-bearing Covered Bonds, the period from (and including) an Interest Period End Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date.

Interest Period End Date means, in the case of interest-bearing Covered Bonds, the Interest Period End Date(s) in each year specified in the applicable Final Terms.

Issue Date has the meaning given in the applicable Final Terms.

Margin has the meaning given in the applicable Final Terms.

Maximum Rate of Interest means, in the case of Floating Rate Covered Bonds, the Rate of Interest (if any) specified as such in the applicable Final Terms.

Meeting Rules of Covered Bondholders has the meaning assigned to it in Condition 13 (*Meeting Rules of Covered Bondholders*).

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Minimum Rate of Interest means, in the case of Floating Rate Covered Bonds, the Rate of Interest (if any) specified as such in the applicable Final Terms.

Mobilisation Law means the Belgian law of 3 August 2012 on various measures to facilitate the mobilisation of receivables in the financial sector (*Wet van 3 augustus 2012 betreffende diverse maatregelen ter vergemakkelijking van de mobilisering van schuldvorderingen in de financiële sector/Loi du 3 août 2012 relative à des mesures diverses pour faciliter la mobilisation de créances dans le secteur financier)* as subsequently amended and/or supplemented.

NBB Cover Pool Monitor Regulation means the Regulation of the National Bank of Belgium (NBB_2022_16) addressed to the cover pool monitors of Belgian credit institutions that issue Belgian covered bonds dated 14 June 2022 *(Circulaire aan de portefeuillesurveillanten van kredietinstellingen naar Belgisch recht die Belgische covered bonds uitgeven/Circulaire aux surveillants de portefeuille auprès d'établissements de crédit de droit belge qui émettent des covered bonds belges*) as subsequently amended and/or supplemented.

NBB Covered Bonds Regulation means the Regulation of the National Bank of Belgium (NBB_2022_15) regarding practical rules for the application of the law of 25 April 2014 establishing a legal framework for Belgian covered bonds dated 14 June 2022 (*Praktische regels voor de toepassing van de wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen zoals gewijzigd door de wet van 26 november 2021 met het oog op de omzetting van Richtlijn 2019/2162 betreffende de uitgifte van en het overheidstoezicht op gedekte obligaties/Modalités pratiques d'application de la loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit telle que modifiée par la loi du 26 novembre 2021 afin de transposer la directive 2019/2162 relative à l'émission et à la surveillance publique des obligations sécurisées*) as subsequently amended and/or supplemented.

Notice of Default has the meaning given to it in Condition 8 (*Events of Default and Enforcement*).

Operational Creditors means, (a) any servicer appointed to service the Cover Assets, (b) any account bank holding accounts or assets of the Issuer in relation to the Special Estate, (c) any stock exchange on which the Covered Bonds are listed and/or admitted to trading, (d) any auditor, legal counsel and tax advisor of the Issuer in relation to the Special Estate or the Programme, (e) any custodian of Cover Assets or assets in the Special Estate, (f) any rating agency appointed by the Issuer to rate the Programme or the Covered Bonds, (g) any agent or party appointed in accordance with the Programme Documents, (h) any other creditor of amounts due in connection with the management or administration of the Special Estate, and (i) any other creditor of the Issuer pursuant to any services provided or any transaction entered into in connection with the Covered Bonds, the Special Estate or the Programme, as notified by the Issuer to the Representative or as may from time to time be specified in the Conditions of any Covered Bonds issued under the Programme.

Ordinary Resolution has the meaning given in the Meeting Rules of Covered Bondholders.

Other Cover Pool Creditors means the Representative, any Cover Pool Administrator, the Cover Pool Monitor, the Agents, the Registrar, the Derivative Contract Counterparties to Derivative Contracts constituting Cover Assets (if any) and any Operational Creditors.

Principal Amount Outstanding means, in respect of a Covered Bond on any day, the principal amount of that Covered Bond on the Issue Date thereof less principal amounts received by the relevant Covered Bondholder in respect thereof on or prior to that day, provided that the Principal Amount Outstanding in respect of a Covered Bond that has been purchased and cancelled by the Issuer shall be zero.

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Programme Resolution has the meaning given in the Meeting Rules of Covered Bondholders.

Rate of Interest means, in the case of interest-bearing Covered Bonds, the rate of interest payable from time to time as described in Condition 4 (*Interest*).

Rating Agency means any rating agency (or its successor) who, at the request of the Issuer, assigns and for as long as it assigns, one or more ratings to the Covered Bonds under the Programme from time to time, which may include Moody's and Fitch.

Record Date has the meaning given in Condition 5.1(b) (*Payments in relation to Registered Covered Bonds*).

Reference Banks means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent in its sole discretion.

Reference Price has, in respect of a Zero Coupon Covered Bond, the meaning given in the applicable Final Terms.

Reference Rate has the meaning given in the applicable Final Terms.

Register of Cover Assets means the register of Cover Assets established by the Issuer for the Covered Bonds issued under the Programme in accordance with Article 15, §1, 1° of Annex III to the Banking Law.

Registered Covered Bonds has the meaning given in Condition 2.2 (*Form*).

Related Security means all security interests and sureties, guarantees or privileges under whichever form that have been granted in relation to Cover Assets as well as rights under insurance policies and other contracts in relation to the Cover Assets or the management of the Special Estate.

Residential Mortgage Loans means loans that are secured by a mortgage on residential real estate as defined in Article 2, 6° of the Covered Bonds Royal Decree.

Resolution means an Ordinary Resolution, an Extraordinary Resolution or a Programme Resolution.

Screen Rate Determination means, if specified as applicable in the applicable Final Terms, the manner in which the Rate of Interest on Floating Rate Covered Bonds is to be determined in accordance with Condition 4.2 (*Interest on Floating Rate Covered Bonds*).

Securities Settlement System has the meaning given in Condition 2.2 (*Form*).

Series Principal Amount Outstanding means, in respect of a Series of Covered Bonds on any day, the aggregate of the Principal Amount Outstanding of each of the Covered Bonds comprised in that Series.

Settlement System Regulations means Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the Securities Settlement System and its annexes, as issued or modified by the NBB from time to time.

Special Estate means the special estate (*bijzonder vermogen/patrimoine spécial*) of the Issuer constituted pursuant to Article 3 of Annex III to the Banking Law in relation to the Programme.

Specified Currency means the euro.

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Specified Office means Havenlaan 2, B-1080 Brussels, Belgium or such office as notified to the Covered Bondholders by the Paying Agent in accordance with Condition 20 (*Notices*).

Specified Time means 11am (Brussels time) in the case of EURIBOR.

Statutory Tests means the tests provided for in Article 2/1 of Annex III to the Banking Law as further specified in Articles 5 and 7 of the Covered Bonds Royal Decree.

Subordinated Termination Payment means, subject as set out below, any termination payments due and payable to any Derivative Contract Counterparty under a Derivative Contract where such termination results from, (a) an Additional Termination Event "*Ratings Event*" as specified in the schedule to the relevant Derivative Contract, (b) the bankruptcy of the relevant Derivative Contract Counterparty, or (c) any default and/or failure to perform by such Derivative Contract Counterparty under the relevant Derivative Contract, other than, in the event of (a) or (b) above, the amount of any termination payment due and payable to such Derivative Contract Counterparty in relation to the termination of such transaction to the extent of any premium received by the Issuer from a replacement Derivative Contract Counterparty.

Sub-unit with respect to euro, means, one cent.

T2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement thereto.

Treaty means the Treaty establishing the European Community, as amended, supplemented and/or replaced from time to time.

Winding-up Proceedings means winding-up proceedings *(liquidatieprocedures/procédures de liquidation*) within the meaning of Article 3, 59° of the Banking Law.

2. TYPE, FORM, DENOMINATION AND TITLE

2.1. Residential Mortgage Covered Bonds

The Covered Bonds under the Programme are issued as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) in accordance with the Belgian Covered Bonds Legislation. The Covered Bonds will be covered in accordance with the Belgian Covered Bonds Legislation by the same Special Estate of which the main asset category will consist of Residential Mortgage Loans, their Related Security and all monies derived therefrom from time to time in accordance with the Belgian Covered Bonds Legislation.

2.2. Form

The Covered Bonds can be issued in dematerialised form in accordance with the Belgian Code of Companies and Associations (**Dematerialised Covered Bonds**) or in registered form in accordance with the Belgian Code of Companies and Associations (**Registered Covered Bonds**).

Registered Covered Bonds will be registered in a register maintained by the Issuer or by the Registrar on behalf of the Issuer in accordance with the Belgian Code of Companies and Associations. Holders of Registered Covered Bonds can obtain a certificate demonstrating the registration of the Registered Covered Bonds in the register.

The Dematerialised Covered Bonds are issued in dematerialised form in accordance with the Belgian Code of Companies and Associations. The Dematerialised Covered Bonds will be represented by a book entry in the records of the clearing system operated by the NBB or any successor thereto (the **Securities Settlement System**). The Dematerialised Covered Bonds can be held by their holders through the direct and indirect participants in the Securities Settlement System, including Clearstream Banking Frankfurt, Clearstream Banking Luxembourg,

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Euroclear Bank, Euroclear France, Euronext Securities Milan, Euronext Securities Porto, LuxCSD, IBERCLEAR, OeKB, SIX SIS and any other national or international NBB investors central securities depository (**NBB investor (I)CSDs**)[9], and through other financial intermediaries which in turn hold the Dematerialised Covered Bonds through any NBB investor (I)CSDs or other participants in the Securities Settlement System. The Dematerialised Covered Bonds are transferred by account transfer. Payments of principal, interest and other sums due under the Dematerialised Covered Bonds will be made in accordance with the rules of the Securities Settlement System through the NBB. Holders of Dematerialised Covered Bonds are entitled to exercise the rights they have, including exercising their voting rights and other associative rights (as defined for the purposes of Article 7:41 of the Belgian Code of Companies and Associations) against the Issuer in accordance with the Conditions and without prejudice to the powers of the Representative, upon submission of an affidavit drawn up by the NBB and any NBB investor (I)CSDs, or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Dematerialised Covered Bonds (or the position held by the financial institution through which their Dematerialised Covered Bonds are held with the NBB and any NBB investor (I)CSDs or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

References to the Securities Settlement System, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, Euroclear Bank, Euroclear France, Euronext Securities Milan, Euronext Securities Porto, LuxCSD, IBERCLEAR, OeKB, SIX SIS and any other NBB investor (I)CSDs shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Paying Agent.

The Dematerialised Covered Bonds and the Registered Covered Bonds may not be exchanged for Covered Bonds in bearer form. Registered Covered Bonds may not be exchanged for Dematerialised Covered Bonds.

2.3. Title and transfer

(a) Title

Title to and transfer of Registered Covered Bonds shall pass by registration of the transfer by the Issuer or by the Registrar in a register in accordance with the Belgian Code of Companies and Associations.

Title to and transfer of Dematerialised Covered Bonds will be evidenced only by records maintained by the Securities Settlement System and any NBB investor (I)CSDs, or other Securities Settlement System participants and in accordance with the applicable rules and procedures for the time being of the Securities Settlement System and any NBB investor (I)CSDs, or other Securities Settlement System participants, as the case may be.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Covered Bond shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, or its theft or loss and no person shall be liable for so treating the holder.

[9] The official list of participants as amended, supplemented and/or replaced from time to time can be consulted on the website of the NBB on http://www.nbb.be. The information contained on the website of the National Bank of Belgium (www.nbb.be) does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

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(b) Transfer

(i) Transfer documents and certificates

Upon a sale or transfer of Registered Covered Bonds, the seller thereof will be required to complete the relevant transfer documents and certificates which can be found on the website at www.kbc.com or obtained from the Registrar. The transfer documents and other information on www.kbc.com are not incorporated in and do not form part of this Base Prospectus and they have not been and will not be scrutinised or approved by the FSMA.

(ii) Transfer free of charge

Transfer of Covered Bonds on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer and/or the Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar may require).

(iii) Closed Period

No Covered Bondholder may require the transfer of a Registered Covered Bond to be registered, (A) during the period of 15 calendar days ending on the due date for redemption of that Registered Covered Bond, (B) after any such Registered Covered Bond has been called for redemption, or (C) during the period of 15 calendar days ending on (and including) the due date for payment of principal and/or interest in respect of Registered Covered Bonds.

2.4. Denomination

The Covered Bonds will be issued in such denomination as may be agreed between the Issuer and the relevant Dealer(s) and set out in the applicable Final Terms (the **Specified Denomination**) with a minimum specified denomination of Euro 100,000.

All Covered Bonds of the same Series will have the same Specified Denomination shown in the applicable Final Terms in relation to each Tranche comprising such Series.

2.5. Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds

The applicable Final Terms will indicate whether the Covered Bonds are Fixed Rate Covered Bonds, Floating Rate Covered Bonds or Zero Coupon Covered Bonds, or a combination of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

2.6. Issuer undertakings

For so long as the Covered Bonds are outstanding, the Issuer will ensure that:

(a) it will continuously comply with the obligations applicable to it under the Belgian Covered Bonds Legislation;

(b) the value of the Residential Mortgage Loans (and of the other Primary Assets) registered as Cover Assets in the Register of Cover Assets calculated in accordance with the Belgian Covered Bonds Legislation will represent at least 85% of the Series Principal Amount Outstanding of the Covered Bonds of all Series.

(c) the value of the Residential Mortgage Loans registered as Cover Assets in the Register of Cover Assets calculated in accordance with the Belgian Covered Bonds Legislation (and all monies derived therefrom from time to time as reimbursement, collection or

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payment of interest on the Residential Mortgage Loans) will represent at least 105% of the Series Principal Amount Outstanding of the Covered Bonds of all Series;

(d) the sum of interest, principal and all other revenues generated by the Cover Assets composing the Special Estate will, for the duration of the Covered Bonds, provide a sufficient cover (i) for the payment of principal and interest on the Covered Bonds, (ii) for the obligations towards the Cover Pool Creditors and (iii) for the maintenance and the management of the Special Estate, including the costs for the reduction of the Special Estate;

(e) the Special Estate will at all times include sufficient liquid Cover Assets for the purposes of providing a liquidity buffer which will enable the Issuer to cover at all times the net liquidity outflows of the Covered Bonds at any time, and the maximum amount of the sum of the net liquidity outflows calculated over a six month period (the **Liquidity Test**); and

(f) the Special Estate will at all times include Cover Assets which will satisfy the following criteria: they (i) are eligible as collateral for Eurosystem monetary policy purposes and intra-day credit operations by the Eurosystem, (ii) are subject to a daily mark-to-market and have a market value which, after applying the ECB haircut in accordance with the Guideline 2015/510 of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy (as amended, supplemented, replaced and/or restated from time to time), is higher than the amount of interest due and payable on the outstanding Covered Bonds within a period of three months, (iii) have a remaining maturity of more than three months, and (iv) are not debt issued by the Issuer or residential mortgage backed securities (RMBS) of which the underlying assets have been originated by the Issuer or by a group related entity.

3. STATUS OF THE COVERED BONDS

The Covered Bonds under the Programme are issued as Belgian pandbrieven (*Belgische pandbrieven/lettres de gage belges*) in accordance with the Belgian Covered Bonds Legislation and will constitute direct, unconditional and unsubordinated obligations of the Issuer. The Covered Bonds rank *pari passu* and rateably without any preference or priority among themselves, irrespective of their Series, and at least *pari passu* with all other present and future outstanding unsecured obligations of the Issuer, save for such obligations as may be preferred by law that are both mandatory and of general application. In addition, the Covered Bonds will be covered in accordance with the Belgian Covered Bonds Legislation by the Special Estate and the Covered Bondholders and the Other Cover Pool Creditors will have an exclusive right of recourse to the Special Estate. The Covered Bonds under the Programme can also be referred to as European Covered Bonds (premium) (*Europese gedekte obligatie (premium)/obligation garantie européenne (de qualité supérieure)*).

4. INTEREST

4.1. Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest determined in accordance with this Condition 4.1. Interest will accrue in respect of each Interest Period and will be payable in arrear on the Interest Payment Date(s).

Interest shall be calculated in respect of any period by applying the Rate of Interest to, in the case of Dematerialised Covered Bonds, the relevant Series Principal Amount Outstanding or, in the case of a Registered Covered Bond, the Principal Amount Outstanding of such Registered Covered Bond and, in either case, multiplying such sum by the applicable Fixed Day Count

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Fraction, and rounding the resultant figure to the nearest Sub-unit, half of any such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

4.2. Interest on Floating Rate Covered Bonds

(a) Interest Period End Dates and Interest Payment Date

Each Floating Rate Covered Bond bears interest at the rate per annum (expressed as a percentage) equal to the Rate of Interest (determined in accordance with Condition 4.2(b) (*Rate of Interest*)), from (and including) the Interest Commencement Date. Interest will accrue in respect of each Interest Period and will be payable in arrear on the Interest Payment Date(s). The amount of interest payable shall be calculated in accordance with Condition 4.2(d) (*Determination of Rate of Interest and calculation of Interest Amounts*). In the case of Fixed/Floating Rate Covered Bonds the applicable Final Terms shall specify during which Interest Periods interest will be applied in accordance with the provisions of Fixed Rate Covered Bonds and during which Interest Periods Interest shall be applied in accordance with the provisions on Floating Rate Covered Bonds. The Final Terms shall not provide an option for the Issuer to convert Fixed Rate Covered Bonds into Floating Rate Covered Bonds or vice versa.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be equal to the rate of interest determined in the following manner, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Covered Bonds

Where **ISDA Determination** is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph 4.2(b)(i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Issuer or other person specified in the applicable Final Terms under an interest rate swap transaction if the Issuer or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2021 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated at the Issue Date of the first Tranche of the Covered Bonds (the **ISDA Definitions**), and under which:

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

(B) the Designated Maturity is the period specified in the applicable Final Terms; and

(C) the relevant Reset Date is either, (I) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period, or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph 4.2(b)(i), (1) **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions, and (2) **Euro-zone** means the region comprising the member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended, supplemented and/or replaced from time to time.

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When this Condition 4.2(b)(i) (*ISDA Determination for Floating Rate Covered Bonds)* applies, in respect of each relevant Interest Period the Calculation Agent will be deemed to have discharged its obligations under Condition 4.2(d) (*Determination of Rate of Interest and calculation of Interest Amounts*) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph 4.2(b)(i).

(ii) Screen Rate Determination

(A) Where **Screen Rate Determination** is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(I) the offered quotation (if there is only one quotation appearing on the relevant Screen Page); or

(II) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

(B) If the Reference Rate is EURIBOR, and

(I) the Relevant Screen Page is not available or if, in the case of (I) above, no such offered quotation appears or, in the case of (II) above, fewer than three such offered quotations appear, in each case as at the Specified Time on the Interest Determination Date in question, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question;

(II) on any Interest Determination Date,

(1) two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or

(2) fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period shall be the offered rate for deposits in euro for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in euro for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or

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banks is or are in the opinion of the Calculation Agent suitable for such purpose) inform(s) the Calculation Agent it is quoting to leading banks in the Euro-zone inter bank market, as the case may be, plus or minus (as appropriate) the Margin (if any);

(III) five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; and

(IV) the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph ((b)) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph ((b)) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Where the Rate of Interest for any Interest Period is negative (whether by operation of a negative Margin or otherwise), then such Rate of Interest shall be deemed to be zero.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Calculation Agent will notify the Paying Agent and the Issuer, as applicable, of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Covered Bonds for the relevant Interest Period by applying the Rate of Interest to, in the case of Dematerialised Covered Bonds, the relevant Series Principal Amount Outstanding or, in the case of a Registered Covered Bond, the Principal Amount Outstanding of such Registered Covered Bond and, in either case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-unit, half of any such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(e) Notification of Rate of Interest and Interest Amounts

The Calculation Agent will promptly notify the Paying Agent and the Issuer, as applicable, of each Interest Amount and the Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the

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other Agents and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and notice thereof to be published in accordance with Condition 20 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 20 (*Notices*).

(f) Calculation Agent

If for any reason at any relevant time after the Issue Date, the Calculation Agent defaults in its obligation to determine the Rate of Interest and any Interest Amount in accordance with Conditions 4.2(b)(i) (*ISDA Determination for Floating Rate Covered Bonds*) or 4.2(b)(ii) above (Screen Rate Determination), and in each case in accordance with Condition 4.2(d) (*Determination of Rate of Interest and calculation of Interest Amounts*), the Issuer or upon the opening of Winding-up Proceedings against the Issuer, the Cover Pool Administrator, if the Calculation Agent is not the Issuer or the Representative, if the Calculation Agent is the Issuer may determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it may think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Issuer, the Cover Pool Administrator or the Representative, as applicable, may calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances but taking into account the provisions of the applicable Final Terms. In making any such determination or calculation, the Issuer, the Cover Pool Administrator or the Representative, as applicable, may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). If such determination or calculation is made, the Issuer, the Cover Pool Administrator or the Representative, as applicable, shall as soon as reasonably practicable notify the Issuer, the Paying Agent, the other Agents, the Issuer or the Representative, as applicable, and such stock exchange of such determination or calculation and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(g) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Interest on Floating Rate Covered Bonds*), whether by the Issuer or the Representative shall (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Paying Agent, the other Agents and all Covered Bondholders and (in the absence as aforesaid) no liability to the Issuer or the Covered Bondholders, as applicable, shall attach to the Issuer or the Representative, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(h) Benchmark replacement

Without prejudice to the other provisions in this Condition 4, if the Issuer determines that a Benchmark Event occurs in relation to the relevant Reference Rate specified in the applicable Final Terms when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Covered Bonds:

(i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with a Reference Rate Determination Agent with a view to the Issuer

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determining (without any requirement for the consent or approval of the Covered Bondholders) (A) a Successor Rate or, failing which, an Alternative Reference Rate, for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Covered Bonds and (B) in either case, an Adjustment Spread;

(ii) if the Issuer is unable to appoint a Reference Rate Determination Agent prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 4.2(h);

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.2(h));

(iv) if the Issuer, following consultation with a Reference Rate Determination Agent (if any) and acting in good faith, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

(v) if the Issuer, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the Covered Bondholders) also specify changes to these Conditions and/or the Agency Agreement in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate or any Adjustment Spread (as applicable), including, but not limited to, (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Reset Determination Date and/or the definition of Reference Rate applicable to the Covered Bonds and (B) the method for determining the fall-back rate in relation to the Covered Bonds. For the avoidance of doubt, the Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to the application of this Condition 4.2(h). No consent shall be required from the Covered Bondholders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps to be taken by the Agent and any other agents party to the Agency Agreement (if required or useful); and

(vi) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the Agent, the Calculation Agent and, in accordance with Condition 20 (*Notices*), the Covered Bondholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and these Conditions (if any),

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

A Reference Rate Determination Agent appointed pursuant to this Condition 4.2(h) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Agent, the Calculation Agent or the Covered Bondholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4.2(h).

Without prejudice to the obligations of the Issuer under this Condition 4.2(h), the Reference Rate and the other provisions in this Condition 4 will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and the Conditions (if any).

For the purposes of this Condition 4.2(h):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Covered Bondholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(c) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(d) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines to be appropriate.

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

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Benchmark Event means:

(a) the relevant Reference Rate ceasing to exist or be published on a permanent or indefinite basis as a result of the Reference Rate ceasing to be calculated or administered; or

(b) a public statement by the administrator of the relevant Reference Rate stating that it has ceased or that it will cease to publish the relevant Reference Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or

(c) a public statement by the supervisor of the administrator of the relevant Reference Rate stating that the relevant Reference Rate has been or will be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor or the administrator of the relevant Reference Rate that means that the relevant Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case in circumstances where the same shall be applicable to the Covered Bonds;

(e) a public statement by the supervisor of the administrator of the relevant Reference Rate that the relevant Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market, in circumstances where the same shall be applicable to the Covered Bonds;

(f) it has or will, prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the Issuer, the Agent, the Calculation Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any Covered Bondholders using the relevant Reference Rate,

provided that the Benchmark Event shall be deemed to occur (i) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Reference Rate or the discontinuation of the Reference Rate, (ii) in the case of sub-paragraph (d) above, on the date of the prohibition of the use of the Reference Rate and (iii) in the case of sub-paragraph (e) above, on the date with effect from which the relevant Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date referred to in limbs (i), (ii) or (iii) above, as applicable).

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

Reference Rate Determination Agent means (i) either an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense, (ii) the Calculation Agent or (iii) any affiliate of the Issuer or the Calculation Agent.

Relevant Nominating Body means, in respect of a Reference Rate:

(a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate

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relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

Successor Rate means the rate that the Issuer determines is a successor to, or replacement of, the Reference Rate which is formally recommended by any Relevant Nominating Body.

4.3. Accrual of Interest

Each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of: (a) the date on which all amounts due in respect of such Covered Bond have been paid; and (b) five days after the date on which the full amount of the moneys payable has been received by the Paying Agent and notice to that effect has been given to the Covered Bondholders in accordance with Condition 20 (*Notices*).

4.4. Interest on Zero Coupon Covered Bonds

Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will, subject to Condition 4.5 (*Interest Payments up to the Extended Final Maturity Date*), not bear periodic interest. When a Zero Coupon Covered Bond becomes repayable prior to its Final Maturity Date, it will be redeemed at the Early Redemption Amount calculated in accordance with Condition 6.3 (*Early Redemption Amounts*). In the case of late payment the amount due and repayable shall be calculated in accordance with Condition 6.8 (*Late Payment for Zero Coupon Covered Bonds*).

4.5. Interest Payments up to the Extended Final Maturity Date

If the maturity of the Covered Bonds is extended beyond the Final Maturity Date in accordance with Condition 6.1(c) (*Final redemption*):

(a) the Covered Bonds then outstanding shall bear interest from (and including) the Final Maturity Date to (but excluding) the Extended Final Maturity Date or, if earlier, the relevant Interest Payment Date after the Final Maturity Date on which the Covered Bonds are redeemed, subject to Condition 4.3 (*Accrual of Interest*). In that event, interest shall be payable on the Covered Bonds at the rate determined in accordance with Condition 4.5(b) below on each Covered Bond then outstanding on each Interest Payment Date after the Final Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date, subject as otherwise provided in the applicable Final Terms. The final Interest Payment Date shall fall no later than the Extended Final Maturity Date;

(b) the rate of interest payable from time to time under Condition 4.5(a) above will be as specified in the applicable Final Terms and, where applicable, determined by the Calculation Agent 14 Business Days after the Final Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms; and

(c) in the case of Covered Bonds which are Zero Coupon Covered Bonds, for the purposes of this Condition 4.5, the principal amount outstanding of each Covered Bond shall be the total amount otherwise payable by the Issuer on the Final Maturity Date in respect of such Covered Bond less any payments made by the Issuer in respect of such amount in accordance with the Conditions.

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4.6. Business Day Conventions

If a **Business Day Convention** is specified in the applicable Final Terms in relation to any date (including, for the avoidance of doubt, any Final Maturity Date or Extended Final Maturity Date) and, (a) if there is no numerically corresponding day in the calendar month in which such date should occur, or (b) if such date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(a) in the case of Floating Rate Covered Bonds, the **Floating Rate Convention**, the relevant Interest Period End Date, (A) in the case of (a) above, shall be the last day that is a Business Day in the relevant month and the provisions of, (II) below shall apply *mutatis mutandis*, or (B) in the case of (b) above, shall be postponed to the next day which is a Business Day, unless it would thereby fall into the next calendar month, in which event (I) such Interest Period End Date shall be brought forward to the immediately preceding Business Day and (II) each subsequent Interest Period End Date shall be the last Business Day in the month;

(b) the **Following Business Day Convention**, such date shall be postponed to the next day which is a Business Day;

(c) the **Preceding Business Day Convention**, such date shall be brought forward to the immediately preceding Business Day.

5. PAYMENTS

5.1. Method of payment

(a) Payments in relation to Dematerialised Covered Bonds

Subject as provided below, all payments of principal or interest owing under the Dematerialised Covered Bonds shall be made through the Paying Agent and the Securities Settlement System in accordance with the Settlement System Regulations and the Clearing Services Agreement.

(b) Payments in relation to Registered Covered Bonds

Payments of principal and interest in respect of Registered Covered Bonds shall be paid to the person shown on the register of the Registered Covered Bonds at the close of business on the fifteenth calendar day before the due date for payment thereof (the **Record Date**).

5.2. Payments subject to fiscal laws

Payments will be subject in all cases to, (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) as applicable, and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto (**FATCA**).

No commissions or expenses shall be charged to the Covered Bondholders in respect of such payments.

5.3. Payment Day

If the date for payment of any amount in respect of any Covered Bond is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other

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payment in respect of any delay. For these purposes, **Payment Day** means any day which (subject to Condition 10 (*Prescription*)) is:

(a) a day on which T2 is open; and

(b) a day (other than Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms.

5.4. Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertakings or covenants given in addition thereto, or in substitution therefore, pursuant to the Agency Agreement;

(b) the Final Redemption Amount;

(c) the Early Redemption Amount; and

(d) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 6.3(c)).

Any reference in these Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) or under any undertakings given in addition thereto, or in substitution therefore, pursuant to the Agency Agreement.

6. REDEMPTION AND PURCHASE

6.1. Final redemption

(a) Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at the Final Redemption Amount specified in the applicable Final Terms in the Specified Currency on the Final Maturity Date.

(b) An Extended Final Maturity Date shall be specified in the applicable Final Terms as applying to each Series of Covered Bonds. Such Extended Final Maturity Date shall be the date falling 1 year after the Final Maturity Date.

(c) Such Extended Final Maturity Date may only be triggered upon the occurrence of the following events:

(i) the Issuer has failed to pay the Final Redemption Amount in full within fourteen (14) Business Days after the Final Maturity Date ("failure to pay"). In such case (subject as provided below) payment of the unpaid amount by the Issuer shall be deferred automatically until the Extended Final Maturity Date and in such case the Final Redemption Amount will not be considered to have been due and payable on the Final Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Final Maturity Date shall be paid by the Issuer on any Interest Payment Date occurring thereafter up to (and including) the Extended Final Maturity Date to the extent the Issuer has available funds; and

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(ii) the deferral, up to the Extended Final Maturity Date, may be decided upon by the Cover Pool Administrator in the event a liquidation procedure is initiated against the Issuer or the Issuer is resolved.

(d) If, following the extension of the Final Maturity Date in accordance with Condition 6.1(c), the Issuer has, in the same month, the obligation to pay principal on two or more Series of Covered Bonds, it will make payments in respect of the Series of Covered Bonds where the Final Maturity Date has been extended (or extended on an earlier date) prior to paying Series of Covered Bonds where the Final Maturity Date has not been extended (or where the Final Maturity Date has been extended on a later date). If at the Final Maturity Date of a particular Series of Covered Bonds (the **Non-Extended Covered Bonds**) the Issuer has failed to pay the Final Redemption Amount in respect of a Series of Covered Bonds which has been extended on an earlier date, payments of unpaid amounts in respect of the Non-Extended Covered Bonds, shall also be deferred to the dates determined in accordance with Condition 6.1(b) and (c)(i)), in order to avoid that an extension of a particular Series of Covered Bonds would alter the sequence of Maturity Dates among different Series of Covered Bonds as required in accordance with Article 13/1, §2 *in fine* of Annex III to the Banking Law.

(e) Subject to paragraph (d) above, an extension of one Series shall not automatically result in an extension of any other Series.

(f) Any payments which shall be subject to an extension in accordance with this Condition 6.1 shall not be considered an unconditional payment for the purpose of Article 7, §1 of the Covered Bonds Royal Decree.

(g) The Issuer shall confirm to the Cover Pool Monitor, the Rating Agencies, any relevant Derivative Contract Counterparty, the Representative, the Paying Agent and any relevant stock exchange as soon as reasonably practicable and in any event at least four (4) Business Days prior to the Final Maturity Date of any inability of the Issuer to pay in full the Final Redemption Amount in respect of a Series of Covered Bonds within fourteen (14) Business Days after the Final Maturity Date. The Issuer shall give notice of the extension of the Final Maturity Date to the Extended Final Maturity Date to the Covered Bondholders of such Series as soon as reasonably practicable. Any failure by the Issuer to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In accordance with Article 13/1, §2 of Annex III to the Banking Law, the Issuer will also inform the Supervisor of its action plan to ensure that the Final Redemption Amount due and remaining unpaid, will be paid by the Extended Final Maturity Date.

(h) Failure to pay in full by the Issuer on the Final Maturity Date shall not constitute an Event of Default. However, failure by the Issuer to pay the Final Redemption Amount on the Extended Final Maturity Date will constitute an Event of Default.

(i) If the maturity of any Covered Bonds is extended up to the Extended Final Maturity Date in accordance with this Condition 6.1, for so long as any of those Covered Bonds remains outstanding, the Issuer shall not issue any further Covered Bonds, unless the proceeds of issuance of such further Covered Bonds are applied by the Issuer on issuance in redeeming in whole or in part the relevant Covered Bonds in accordance with the terms hereof.

(j) This Condition 6.1 shall only apply if the Issuer has insufficient funds available to redeem Covered Bonds in full on the relevant Final Maturity Date (or within fourteen (14) Business Days thereafter).

6.2. Redemption for taxation reasons

If, on the occasion of the next payment due under the Covered Bonds, and as a result of any change in, or amendment to, the laws or regulations of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official

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interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Covered Bonds, the Issuer:

(a) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*), or can no longer deduct payments in respect of the Covered Bonds for Belgian income tax purposes; and

(b) cannot avoid such obligation by taking reasonable legally compliant measures available to it,

the Issuer may at its option redeem all, but not some only, of the Covered Bonds at any time (if the relevant Covered Bond is not a Floating Rate Covered Bonds) or on any Interest Payment Date (if the relevant Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Paying Agent and the Representative and, in accordance with Condition 20 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Paying Agent and the Representative a certificate signed by two directors of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Covered Bonds redeemed pursuant to this Condition 6.2 (*Redemption for taxation reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 6.3 (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3. Early Redemption Amounts

For the purpose of Condition 5.4 (*Interpretation of principal and interest*), Condition 6.2 (*Redemption for taxation reasons*), Condition 6.4 (*Illegality*) and Condition 8 (*Events of Default and Enforcement*), the Early Redemption Amount in respect of any Covered Bonds shall be calculated as follows:

(a) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Covered Bond (other than a Zero Coupon Covered Bond) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at its Principal Amount Outstanding; and

(c) in the case of a Zero Coupon Covered Bond, at an amount (the Amortised Face Amount) calculated in accordance with the following formula:

Early Redemption Amount = RP x (1+AY)y

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

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y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable and the denominator of which is 360.

6.4. Illegality

In the event that the Issuer determines that the performance of the Issuer's obligations under the Covered Bonds has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than ten nor more than 30 days' notice to Covered Bondholders and the Representative in accordance with Condition 16 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Covered Bonds of the relevant Series, each Covered Bond being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Paying Agent and the Representative a certificate signed by two directors of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

6.5. Purchases

The Issuer or any subsidiary, affiliate or holding company of the Issuer may at any time purchase or otherwise acquire Covered Bonds at any price in the open market either by tender or private agreement or otherwise.

Such Covered Bonds acquired by the Issuer may be held, reissued, resold or, at the option of the Issuer, transferred to the Paying Agent for cancellation.

Unless otherwise indicated in the applicable Final Terms, Covered Bonds so acquired by the Issuer may be held in accordance with Article 10 of Annex III to the Banking Law or cancelled in accordance with this Condition 6.5.

6.6. Subscription to own Covered Bonds

The Issuer may subscribe to its own Covered Bonds in accordance with Article 10 of Annex III to the Banking Law.

Covered Bonds so subscribed by the Issuer may be held in accordance with Article 10 of Annex III to the Banking Law or cancelled in accordance with Condition 6.5.

6.7. Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled.

6.8. Late Payment for Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Covered Bond pursuant to Conditions 6.1, 6.2 or 6.4 or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 6.3 above as though the references therein to the date fixed for the redemption or the

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date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the Paying Agent and notice to that effect has been given to the Covered Bondholders in accordance with Condition 20 (*Notices*).

7. TAXATION

All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of Belgium or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Covered Bondholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Covered Bond:

(a) with respect to any payment in respect of any Dematerialised Covered Bond:

(i) held by a holder of a Dematerialised Covered Bond which is liable to Taxes in respect of such Dematerialised Covered Bond by reason of its having some connection with the jurisdiction by which such Taxes have been imposed, levied, collected, withheld or assessed other than the mere holding of the Dematerialised Covered Bond; or

(ii) where such withholding or deduction is imposed on a payment and is required to be made pursuant to FATCA; or

(iii) held by a holder of a Dematerialised Covered Bond who would have been able to legally avoid such withholding or deduction by arranging to receive the relevant payment through another paying agent of the Issuer in a member state of the European Union; or

(iv) where such withholding or deduction is imposed because the holder of the Dematerialised Covered Bonds is not an Eligible Investor (unless that person was an Eligible Investor at the time of its acquisition of the relevant Covered Bond but has since ceased (as such term is defined from time to time under Belgian law) being an Eligible Investor by reason of a change in the Belgian tax laws or regulations or in the publicly available interpretation or application thereof), or is an Eligible Investor but is not holding the relevant Dematerialised Covered Bond in an exempt securities account with the Securities Settlement System or with another qualifying clearing system in accordance with the Belgian law of 6 August 1993 relating to transactions in certain securities and its implementation decrees; or

(v) to a holder who is liable to such Taxes because the Dematerialised Covered Bonds were converted into registered Covered Bonds upon his/her request and could no longer be cleared through the Securities Settlement System; or

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(vi) to a holder who is entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption.

(b) with respect to any payment in respect of any Registered Covered Bond:

(i) held by a holder of a Registered Covered Bond which is liable to Taxes in respect of such Covered Bond by reason of its having some connection with the jurisdiction by which such Taxes have been imposed, levied, collected, withheld or assessed other than the mere holding of the Registered Covered Bond; or

(ii) where such withholding or deduction is imposed on a payment and is required to be made pursuant to FATCA; or

(iii) held by a holder of a Registered Covered Bond who would have been able to legally avoid such withholding or deduction by arranging to receive the relevant payment through another paying agent of the Issuer in a member state of the European Union; or

(iv) where such withholding or deduction is imposed because the holder of the Registered Covered Bonds is not a holder who is an Exempt Investor (as defined below) (unless that person was an Exempt Investor at the time of its acquisition of the relevant Covered Bond but has since ceased (as such term is defined from time to time under Belgian law) being an Exempt Investor by reason of a change in the Belgian tax laws or regulations or in the publicly available interpretation or application thereof); or

(v) to a holder who is entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption; or

(vi) presented for payment more than 15 calendar days after the Relevant Date (as defined below) except to the extent that the holder of the Registered Covered Bond would have been entitled to an additional amount on presenting the same for payment on the expiry of such period of 15 calendar days; or

(vii) which is issued as a Zero Coupon Covered Bond or any other Registered Covered Bond which provides for the capitalisation of interest.

As used in this Condition:

Exempt Investor means a holder of a Registered Covered Bond that, as of the relevant interest payment date, I. (A) is not resident for tax purposes in Belgium and does not use the income producing assets, i.e. the Registered Covered Bonds, to exercise a business or professional activity in Belgium, (B) has been the legal owner (*eigenaar/propriétaire*) or usufructuary (*vruchtgebruiker/usufruitier*) of the Registered Covered Bond during the entire relevant interest period, (C) has been registered with the Issuer as the holder of the Registered Covered Bond during the entire relevant interest period, (D) has provided the Issuer with an affidavit in which it is certified that the conditions mentioned in points (A) and (B) are complied with, with respect to such interest payment on or before the date such affidavit is required to be delivered to the Issuer and (E) complies with any further requirement imposed by any successor provision to the current relevant Belgian tax provisions or II. (A) is a financial institution or an institution assimilated therewith or a semi-governmental institution for social security or an institution assimilated therewith, (B) has been the legal owner (*eigenaar/propriétaire*) or usufructuary (*vruchtgebruiker/usufruitier*) of the Registered Covered Bond during the entire relevant interest period, (C) has been registered with the Issuer as the holder of the Registered Covered Bond during the entire relevant interest period, (D) has provided the Issuer with an affidavit in which it is certified that the conditions mentioned in points (A) and (B) are complied with, with respect

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to such interest payment on or before the date such affidavit is required to be delivered to the Issuer and (E) complies with any further requirement imposed by any successor provision to the current relevant Belgian tax provisions.

Relevant Date in respect of any payment means the date on which such payment first becomes due.

8. EVENTS OF DEFAULT AND ENFORCEMENT

8.1. Events of Default

If any of the following events occurs and is continuing (each an **Event of Default**):

(a) on the Extended Final Maturity Date in respect of any Series there is a failure to pay any amount of principal due on the Covered Bonds on such date and such default is not remedied within a period of 14 Business Days from the due date thereof; or

(b) on any Interest Payment Date, a default in the payment of the amount of interest due on any Series occurs and such default is not remedied within a period of 14 Business Days from the due date thereof,

then the Representative may or shall, if it has been so directed by a request in writing by the holders of not less than 25% of the aggregate of the Series Principal Amount Outstanding of the Covered Bonds of all Series then outstanding but excluding the Covered Bonds held by the Issuer for the calculation of the percentage (with the Covered Bonds of all Series taken together as a single Series) or if so directed by a Programme Resolution (subject to being indemnified and/or secured and/or prefunded to its satisfaction), serve a notice (a Notice of Default) on the Issuer (copied to the Cover Pool Monitor, the Supervisor, the Rating Agencies and, if appointed, the Cover Pool Administrator). Following the service of a Notice of Default, (i) no further Covered Bonds will be issued, and (ii) the Covered Bonds of each Series shall become immediately due and repayable on the date specified in the Notice of Default at the Early Redemption Amount, together with accrued interest thereon to the date of repayment.

8.2. Enforcement

The Representative may at any time, at its discretion and without further notice, take such proceedings against the Issuer and/or any other person as it may think fit to enforce the provisions of the Covered Bonds or any Programme Document.

No Covered Bondholder shall be entitled to proceed directly against the Issuer or to take any action with respect to the Programme Documents, the Covered Bonds, or the Cover Assets unless the Representative, having become bound so to proceed pursuant to a Resolution or a direction of the Covered Bondholders in accordance with the Conditions, as applicable, fails so to do within a reasonable period, 14 Business Days being considered reasonable in this respect, and such failure shall be continuing.

8.3. Covered Bondholders' Waiver

For the avoidance of doubt, the Covered Bondholders waive, to the fullest extent permitted by law, (a) all their rights whatsoever pursuant to Article 5.90 and 5.91 of the Belgian Civil Code to rescind (*ontbinden/résoudre*), or demand in legal proceedings the rescission (*ontbinding/résolution*) of, the Covered Bonds, and (b) all their rights whatsoever in respect of Covered Bonds pursuant to Article 7:64 of the Belgian Code of Companies and Associations (right to rescind (*ontbinding/résolution*)).

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9. PRIORITIES OF PAYMENTS

9.1. Post Event of Default Priority of Payments

Following delivery of a Notice of Default all funds deriving from the Cover Assets or otherwise received or recovered by the Special Estate (whether in the administration, liquidation of the Special Estate or otherwise) (other than amounts or financial instruments standing to the credit of the swap collateral account (if any)) shall be applied on any Business Day in accordance with the following order of priority of payments (the **Post Event of Default Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full) provided that any such amount that is due to be paid hereunder has not been paid by the Issuer using funds not forming part of the Special Estate:

(a) first, *pari passu* and pro rata according to the respective amounts thereof, (i) to pay all amounts then due and payable to the Representative (including remuneration or amounts by way of indemnity payable to it) under the provisions of the Representative Appointment Agreement or any other Programme Document together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein, (ii) to pay all amounts then due and payable to the Cover Pool Monitor together with interest and applicable VAT (or other similar taxes) thereon, and (iii) upon its appointment in accordance with the Belgian Covered Bonds Legislation, to pay all amounts then due to any Cover Pool Administrator (including any of its representatives or delegates) pursuant to the conditions of its appointment and any costs and expenses incurred by or on behalf of the Special Estate;

(b) second, *pari passu* and pro rata according to the respective amounts thereof, to pay any amounts, fees, costs, charges, liabilities, expenses and taxes due and payable by the Issuer or the Special Estate to the Operational Creditors;

(c) third, *pari passu* and pro rata according to the respective amounts thereof, (i) to pay all amounts of interest and principal then due and payable on any Covered Bonds and (ii) any amounts due and payable under any Derivative Contract that constitutes a Cover Asset other than the Subordinated Termination Payments to any Derivative Contract Counterparties under any such Derivative Contracts;

(d) fourth, *pari passu* and pro rata, according to the respective amounts thereof, to pay any amount due and payable to any Derivative Contract Counterparties under any Derivative Contract that constitutes a Cover Asset arising out of any Subordinated Termination Payment; and

(e) fifth, once all Covered Bonds have been redeemed and following the payment in full of all items under (a) to (d) above, to pay any excess to the General Estate of the Issuer.

9.2. Early Redemption Priority of Payments

Following a decision by the Cover Pool Administrator to early redeem the Covered Bonds of all Series pursuant to Article 11, 6° or 7° of Annex III to the Banking Law and as long as no Notice of Default has been delivered all funds deriving from the Cover Assets or otherwise received or recovered by the Special Estate (whether in the administration, liquidation of the Special Estate or otherwise) (other than amounts or financial instruments standing to the credit of the swap collateral account (if any)) shall be applied on any Business Day in accordance with the following order of priority of payments (the **Early Redemption Priority of Payments**) (in each case only if and to the extent that payments of a higher priority have been made in full)

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provided that any such amount that is due to be paid hereunder has not been paid by the Issuer using funds not forming part of the Special Estate:

(a) first, *pari passu* and pro rata according to the respective amounts thereof, (i) to pay all amounts then due and payable to the Representative (including remuneration or amounts by way of indemnity payable to it) under the provisions of the Representative Appointment Agreement or any other Programme Document together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein, (ii) to pay all amounts then due and payable to the Cover Pool Monitor together with interest and applicable VAT (or other similar taxes) thereon, (iii) upon its appointment in accordance with the Belgian Covered Bonds Legislation, to pay all amounts then due to any Cover Pool Administrator (including any of its representatives or delegates) pursuant to the conditions of its appointment and any costs and expenses incurred by or on behalf of the Special Estate, and (iv) to pay any amounts, fees, costs, charges, liabilities, expenses and taxes due and payable by the Issuer or the Special Estate to the Operational Creditors;

(b) second, *pari passu* and pro rata according to the respective amounts thereof, (i) to pay all amounts of interest and principal then due and payable on any Covered Bonds and (ii) any amounts due and payable under any Derivative Contract that constitutes a Cover Asset other than the Subordinated Termination Payments to any Derivative Contract Counterparties under any such Derivative Contracts;

(c) third, *pari passu* and pro rata, according to the respective amounts thereof, to pay any amount due and payable to any Derivative Contract Counterparties under any Derivative Contract that constitutes a Cover Asset arising out of any Subordinated Termination Payment; and

(d) fourth, once all Covered Bonds have been redeemed and following the payment in full of all items under (a) to (c) above, to pay any excess to the General Estate of the Issuer.

10. PRESCRIPTION

Claims against the Issuer for payment of principal and interest in respect of the Covered Bonds will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after their due date, unless application to a court of law for such payment has been initiated on or before such respective time. The due date for Covered Bonds of which the Final Maturity Date has been extended shall be the Extended Final Maturity Date.

11. AGENTS

(a) In acting under the Agency Agreement and in connection with the Covered Bonds, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Covered Bondholders.

(b) The initial Agents, the Registrar and their initial specified offices are set forth in the Base Prospectus. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent, Registrar or Calculation Agent and to appoint a successor Agent, Registrar or Calculation Agent and additional or successor paying agents provided, however, that:

(i) the Issuer shall at all times maintain a Paying Agent and the Paying Agent will at all times be a participant in the Securities Settlement System;

(ii) so long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified

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office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;

(iii) so long as there are Registered Covered Bonds, the Issuer shall maintain a Registrar for the relevant Series of Registered Covered Bonds (which may be itself); and

(iv) in the case of Floating Rate Covered Bonds, the Issuer shall at all times maintain a Calculation Agent for the relevant Series of Covered Bonds (which may be itself).

Notice of any change in any of the Agents, the Registrar or the Calculation Agent or in their specified offices shall promptly be given to the Covered Bondholders in accordance with Condition 20 (*Notices*).

12. COVERED BOND PROVISIONS

12.1. Criteria for the transfer of assets by the General Estate to the Special Estate

If the Issuer holds amounts as provided for in Article 3, § 2, 1, 4° of Annex III to the Banking Law, for the account of a Special Estate, and these amounts cannot be identified in the General Estate when the delivery of these assets is requested on behalf of the Special Estate, the ownership right in relation to these amounts that are part of the Special Estate will be transferred for a corresponding value to other unencumbered assets in the General Estate of the Issuer pursuant to Article 3, §2, second indent of Annex III to the Banking Law. These assets will be identified in accordance with the following criteria to be applied in the following order of priority:

(a) bonds that are ECB eligible (**ECB Eligible Bonds**);

(b) failing which, bonds other than ECB Eligible Bonds mentioned under (a) above;

(c) failing any of the above, such assets as the representative of the Special Estate (the Cover Pool Administrator, failing which the Cover Pool Monitor) may select in its own discretion.

12.2. Use of swap collateral

Any collateral provided to the Issuer in the context of a Derivative Contract that constitutes a Cover Asset, may only be used in order to satisfy the obligations that relate to the Special Estate and in accordance with the provisions of the relevant Derivative Contract.

12.3. Priority Rules regarding security interest securing both Cover Assets and assets in the General Estate

If a security interest (including any mortgage and mortgage mandate) secures both Cover Assets and assets in the General Estate, all sums received out of the enforcement of the security interest will be applied in priority to satisfy the obligations in relation to the relevant Cover Assets. Any proceeds of enforcement of such security interest can only be applied in satisfaction of the obligations of the relevant assets in the General Estate once all sums owed to the Special Estate in respect of the relevant Cover Assets are irrevocably repaid in full.

13. MEETING RULES OF COVERED BONDHOLDERS

The Meeting Rules of Covered Bondholders (the **Meeting Rules of Covered Bondholders**) are attached to, and form an integral part of, these Conditions. References in these Conditions to the Meeting Rules of Covered Bondholders include such rules as from time to time modified in accordance with the provisions contained therein and any agreement or other document expressed to be supplemental thereto.

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Articles 7:161 to 7:176 of the Belgian Code of Companies and Associations relating to the bondholders' meetings shall not apply to any Covered Bonds.

14. THE REPRESENTATIVE

The Representative has been appointed by the Issuer as representative of the Covered Bondholders (and of any other creditors that are holders of claims covered by the Special Estate and that have agreed to be so represented) in accordance with Article 14, §2 of Annex III to the Banking Law and Article 7:63 of the Belgian Code of Companies and Associations upon the terms and conditions set out in the Representative Appointment Agreement and herein.

As long as the Covered Bonds are outstanding, there shall at all times be a representative of the Covered Bondholders in accordance with Article 14, §2 of Annex III to the Banking Law and Article 7:63 of the Belgian Code of Companies and Associations, which has the power to exercise the rights conferred on it by these Conditions, the Meeting Rules of Covered Bondholders, the Representative Appointment Agreement and the Covered Bond Legislation in order to protect the interests of the Covered Bondholders.

By reason of holding Covered Bonds, each Covered Bondholder:

(a) recognises the Representative as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the Representative in such capacity as if such Covered Bondholder were a signatory thereto; and

(b) acknowledges and accepts that the Issuer shall not be liable, except in case of fraud of the Issuer, in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the Covered Bondholders as a result of the performance by the Representative of its duties or the exercise of any of its rights under these Conditions (including the Meeting Rules of Covered Bondholders).

The Representative may also be appointed to represent Other Cover Pool Creditors provided that such Other Cover Pool Creditors agree with such representation.

15. CONFLICTS OF INTEREST

In exercising any of its powers, and the authorities and discretions vested in it, the Representative shall have regard to the overall interests of the Covered Bondholders of all Series taken together and of the Other Cover Pool Creditors that have agreed to be represented by the Representative. The Representative shall not be obliged to have regard to any interests arising from circumstances particular to individual Covered Bondholders or such Other Cover Pool Creditors.

The Representative shall, as regards the powers, authorities and discretions vested in it, except where expressly provided otherwise, have regard to the interests of both the Covered Bondholders and the Other Cover Pool Creditors that have agreed to be represented by the Representative but if, in the opinion of the Representative, there is a conflict between the interests the Covered Bondholders and those Other Cover Pool Creditors, the Representative will have regard solely to the interest of the Covered Bondholders.

16. MEETINGS OF COVERED BONDHOLDERS

16.1. Meetings of Covered Bondholders

The Meeting Rules of Covered Bondholders contain provisions for convening meetings of the Covered Bondholders of each Series to consider matters relating to the Covered Bonds, including the modification or waiver of any provision of the Conditions. For the avoidance of

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doubt, any such modification or waiver shall be subject to the consent of the Issuer or, upon the opening of Winding-up Proceedings against the Issuer, the Cover Pool Administrator on behalf of the Special Estate, except as provided otherwise in the Meeting Rules of the Covered Bondholders.

All meetings of Covered Bondholders will be held in accordance with the Meeting Rules of Covered Bondholders. Articles 7:161 to 7:176 of the Belgian Code of Companies and Associations shall not apply to any issuance of Covered Bonds.

16.2. Written Resolution

Except in relation to a Programme Resolution to direct the Cover Pool Administrator to proceed with the liquidation of the Special Estate and with the early redemption of the Covered Bonds pursuant to Article 11, 7° of Annex III to the Banking Law, a resolution in writing signed by or on behalf of holders of 50% of the aggregate of the Series Principal Amount Outstanding of the Covered Bonds of all Series then outstanding shall take effect as a Programme Resolution. A resolution in writing signed by or on behalf of holders of two thirds of the Series Principal Amount Outstanding of the relevant Series of Covered Bonds outstanding shall take effect as an Extraordinary Resolution. A written resolution signed by the holders of 50% of the Series Principal Amount Outstanding of the relevant Series of the Covered Bonds outstanding shall take effect as if it were an Ordinary Resolution. Such resolutions in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Covered Bondholders.

17. AMENDMENTS TO THE CONDITIONS AND WAIVERS

Amendments to and waivers of the Conditions shall be made in accordance with the Meeting Rules of Covered Bondholders.

18. NO HARDSHIP

For the avoidance of doubt, the Issuer hereby acknowledges that the provisions of Article 5.74 of the Belgian Civil Code shall not apply to it with respect to its obligations under these Conditions and that it shall not be entitled to make any claim under Article 5.74 of the Belgian Civil Code.

19. REMEDIES

(a) To the fullest extent permitted by law, each Covered Bondholder expressly and irrevocably waives (for itself and on behalf of any of its affiliates) any extra-contractual claim and right it may have against any Auxiliaries of the Issuer pursuant to article 6.3, §2 of the Belgian Civil Code in connection with these Conditions.

For the purposes of this Condition, **Auxiliary** means any person or entity who performs (in whole or in part) any obligation of the Issuer, is engaged in relation to the performance of any obligation under these Conditions, or represents the Issuer in connection with these Conditions and the Covered Bonds (whether in its own name and/or for its own account, or in the name and/or for the account of the Issuer), including auxiliaries (*hulppersonen/auxiliaires*) of the Issuer as referred to in article 6.3, §2 of the Belgian Civil Code. This includes any affiliate, director, officer, board member, manager, employee, founder, member, partner, shareholder, associate, volunteer, agent, attorney, advisor or contractor of the Issuer. For the avoidance of doubt, this definition also includes any subsequent tiers of such auxiliaries, including any secondary, tertiary, or further removed auxiliaries, irrespective of their level or order in the chain of appointment.

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(b) To the fullest extent permitted by law, each Covered Bondholder expressly and irrevocably waives (for itself and on behalf of any of its affiliates) any extra-contractual claim or right it may have against the Issuer pursuant to article 6.3, §1 of the Belgian Civil Code in respect of any breach by the Issuer of any of its obligations under these Conditions.

20. NOTICES

Notices to be given by any holder of Covered Bonds (including notices to convene a meeting of Covered Bondholders) shall be in writing and given by lodging the same with the Paying Agent and the Representative. Notices to be given to the holders of Dematerialised Covered Bonds (including notices to convene a meeting of Covered Bondholders) shall be deemed to have been duly given to the relevant Covered Bondholders if sent to the Securities Settlement System and any NBB investor (I)CSDs for communication by them to the holders of the Dematerialised Covered Bonds and shall be deemed to be given on the date on which it was so sent.

All notices to holders of Registered Covered Bonds (including notices to convene a meeting of Covered Bondholders) will be mailed by regular post or by e-mail to the holders at their respective addresses or e-mail addresses appearing in the register of Registered Covered Bonds.

If sent by post, notices will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. If sent by e-mail, when the relevant receipt of such communication being read is given, or where no read receipt is requested, by the sender at the time of sending provided that no delivery failure notification is received by the sender within 24 hours of sending the communication.

So long as the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority and if the rules of the exchange so require, any notice shall also be published in accordance with the rules and regulations of such stock exchange or other relevant authority.

No notifications in any such form will be required for convening meetings of Covered Bondholders if all Covered Bondholders have been identified and have been given an appropriate notice by registered mail.

Notwithstanding the above, the Representative shall be at liberty to approve any other method of giving notice to Covered Bondholders if, in its opinion, such other method is reasonable having regard to the then-prevailing market practice and rules of the competent authority, stock exchange, clearing system or, as the case may be, quotation system on which the Covered Bonds are then admitted to trading.

21. FURTHER ISSUES

The Issuer may from time to time, subject to Condition 6.1(i), without the consent of the Covered Bondholders, create and issue further Covered Bonds having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest thereon, issue date and/or issue price) so as to form a single series with the Covered Bonds and provided that, (a) the Rating Agencies have been notified of such issuance, and (b) if applicable, in respect of any Series or Tranche, a Derivative Contract is entered into.

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22. GOVERNING LAW AND JURISDICTION

22.1. Governing Law

The Covered Bonds and all matters arising from or connected with the Covered Bonds (and any non-contractual obligations arising out of or in connection with the Covered Bonds) are governed by, and shall be construed in accordance with, Belgian law.

22.2. Jurisdiction

The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any dispute, arising from or connected with the Covered Bonds (including any disputes relating to any non-contractual obligations arising out of or in connection with the Covered Bonds).

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MEETING RULES OF THE COVERED BONDHOLDERS

PART 1 – GENERAL PROVISIONS

1. INTRODUCTION

(a) The purpose of these meeting rules of the Covered Bondholders (the Meeting Rules) is to co-ordinate the exercise of the rights of the Covered Bondholders and, more generally, to take any action necessary or desirable to protect the interest of the Covered Bondholders.

(b) The Meeting Rules in respect of each Series of Covered Bonds issued under the Programme by the Issuer apply concurrently with the issuance and subscription of the Covered Bonds and each such Series is governed by these Meeting Rules.

(c) The contents of the Meeting Rules are deemed to be an integral part of the Conditions of the Covered Bonds of each Series issued by the Issuer.

(d) The Meeting Rules shall remain in full force and effect until full repayment or cancellation of all the Covered Bonds of whatever Series.

(e) Each Covered Bondholder is a member of the meeting of Covered Bondholders held in accordance with these Meeting Rules.

(f) Article 7:161 to 7:176 of the Belgian Code of Companies and Associations shall not apply in relation to the meetings of Covered Bondholders.

2. DEFINITIONS

2.1. Definitions

In these Meeting Rules the following expressions have the following meanings:

Block Voting Instruction shall mean a document in Dutch or French (with a translation in English) issued by the Recognised Accountholder or Securities Settlement System and dated in which:

(a) it is certified that Dematerialised Covered Bonds (not being Dematerialised Covered Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or Securities Settlement System) held to its order or under its control and blocked by it and that no such Dematerialised Covered Bonds will cease to be so held and blocked until the first to occur of:

(i) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and

(ii) the giving of notice by the Recognised Accountholder or the Securities Settlement System to the Issuer in accordance with Clause 8.5 hereof, stating that certain of such Dematerialised Covered Bonds cease to be held with it or under its control and blocked by it and setting out the necessary amendment to the Block Voting Instruction;

(b) it is certified that each holder of such Dematerialised Covered Bonds has instructed such Recognised Accountholder or Securities Settlement System, that the vote(s) attributable to the Dematerialised Covered Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any such adjourned meeting and that all such instructions are during the period

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commencing three (3) Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

(c) the nominal amount of the Dematerialised Covered Bonds so held and blocked is stated, distinguishing with regard to each resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(d) one or more persons named in such document (each hereinafter called a proxy) is or are authorised and instructed by such Recognised Accountholder or Securities Settlement System to cast the votes attributable to the Dematerialised Covered Bonds so listed in accordance with the instructions referred to in subparagraph (a)(ii) above as set out in such document.

Conditions means the Terms and Conditions of the Covered Bonds of the relevant Series or Tranche issued by the Issuer.

Extraordinary Resolution means a resolution passed at a meeting duly convened and held in accordance with these Meeting Rules with respect to the matters set out in Clause 6.1.

Ordinary Resolution means any resolution passed at a meeting duly convened and held in accordance with these Meeting Rules with respect to the matters set out in Clause 6.2 by a simple majority of at least 50% of the aggregate Principal Amount Outstanding of the Series of Covered Bonds for which votes have been cast plus one vote.

Programme Common Terms means Clauses 3 up to and including 12 of the Programme Common Terms Agreement, as may be amended from time to time in accordance with the provisions of the Programme Common Terms Agreement and the Meeting Rules.

Programme Resolution means any resolution passed at a meeting duly convened and held in accordance with these Meeting Rules with respect to the matters set out in Clause 6.3.

Recognised Accountholder means, in relation to one or more Dematerialised Covered Bonds, the recognised accountholder (*erkende rekeninghouder/teneur de compte agréé*) within the meaning of the Belgian Code of Companies and Associations with which a Covered Bondholder holds such Dematerialised Covered Bonds on a securities account.

Resolution means an Ordinary Resolution, an Extraordinary Resolution or a Programme Resolution.

Series Reserved Matters means the matters referred to under Clause 6.1(f) to 6.1(i).

Voting Certificate shall mean a certificate in Dutch or French (with a translation in English) issued by the Recognised Accountholder or the Securities Settlement System and dated in which it is stated:

(a) that on the date thereof Dematerialised Covered Bonds (not being Dematerialised Covered Bonds in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified Principal Amount Outstanding were (to the satisfaction of such Recognised Accountholder or Securities Settlement System) held

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to its order or under its control and blocked by it and that no such Dematerialised Covered Bonds will cease to be so held and blocked until the first to occur of:

(i) the conclusion of the meeting specified in such certification or, if applicable, any adjourned such meeting; and

(ii) the surrender of the certificate to the Recognised Accountholder or Securities Settlement System who issued the same; and

(b) that until the release of the Dematerialised Covered Bonds represented thereby the bearer thereof is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Dematerialised Covered Bonds represented by such certificate.

Capitalised words used in these Meeting Rules and not otherwise defined herein, shall have the meaning and the construction ascribed to them in the Conditions.

2.2. Interpretation

All references in these Meeting Rules to:

(a) **Covered Bonds** are, unless the context otherwise requires, to the Covered Bonds of the relevant Series;

(b) a **Clause** shall, except where expressly provided to the contrary, be a reference to a Clause of these Meeting Rules;

(c) a **meeting** are to a meeting of Covered Bondholders of a single Series of Covered Bonds (except in the case of a meeting to pass a Programme Resolution, in which case the Covered Bonds of all Series are taken together as a single Series) and include, unless the context otherwise requires, any adjournment; and

(d) where these Meeting Rules refer to any computation of a term or period of time, Article 1.7 of the Belgian Civil Code (*Burgerlijk Wetboek/Code Civil*) shall not apply to the extent inconsistent with these Meeting Rules.

3. CALLING OF THE GENERAL MEETING

3.1. The meeting of Covered Bondholders may be convened by the Issuer, and/or upon its appointment the Cover Pool Administrator, or the Representative and shall be convened by the Issuer, or upon its appointment the Cover Pool Administrator, as applicable, or the Representative upon the request in writing signed by Covered Bondholders holding not less than one fifth of the aggregate of the Series Principal Amount Outstanding of the Covered Bonds of the relevant Series.

3.2. The Issuer or upon its appointment the Cover Pool Administrator or the Representative can convene a single meeting of Covered Bondholders of more than one Series if in its opinion the subject matter of the meeting is relevant to the Covered Bondholders of each of those Series, in which case these Meeting Rules shall apply *mutatis mutandis*.

3.3. Every meeting of the Covered Bondholders shall be held at a time and place approved by the Representative. It being understood that meetings can be held by way of conference call or by use of videoconference platform.

3.4. At least 15 calendar days' notice (exclusive of the day on which the notice is given and the day on which the general meeting is held) specifying the day, time and place of meeting (or, if relevant, the applicable dial-in details when the meeting will be held by way of conference call or by use of a videoconference platform) shall be given to the Covered Bondholders in the

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manner provided by Condition 20 (*Notices*). Such notice shall include the agenda of the meeting. The agenda shall state the nature of the business to be transacted at the meeting thereby convened and specify the terms of any resolution to be proposed. Such notice shall include a statement to the effect that Dematerialised Covered Bonds must be held with or under the control of and blocked by, (a) a Recognised Accountholder, and/or (b) as the case may be, the Securities Settlement System for the purpose of obtaining Voting Certificates or appointing proxies until three Business Days before the time fixed for the meeting but not thereafter.

4. ACCESS TO THE GENERAL MEETING

4.1. With respect to Dematerialised Covered Bonds, save as expressly provided otherwise herein, no person shall be entitled to attend or vote at any general meeting of the Covered Bondholders unless he produces a Voting Certificate or is a proxy.

4.2. With respect to Registered Covered Bonds, save as expressly provided otherwise herein, no person shall be entitled to attend or vote at any general meeting of the Covered Bondholders unless, (a) it appears from the register held in accordance with the Belgian Code of Companies and Associations that the relevant person is registered as a holder of Registered Covered Bonds, or (b) is authorised and instructed, by means of a power of attorney that is duly dated and signed, by the person that is registered as a holder of Registered Covered Bonds to cast the votes attributable to such Covered Bondholder. The Issuer or the Cover Pool Administrator, as applicable, may determine the form of the power of attorney.

4.3. The Issuer, the Cover Pool Administrator, upon its appointment, the Representative and the Dealer(s) (through their respective officers, employees, advisers, agents or other representatives) and their financial and legal advisers as well as the chairman of the meeting of Covered Bondholders shall be entitled to attend and speak at any meeting of the Covered Bondholders.

4.4. Proxies need not to be Covered Bondholders.

5. QUORUM

5.1. The quorum at any meeting the purpose of which is to pass an Ordinary Resolution, an Extraordinary Resolution concerning matters referred to under Clause 6.1(a) to 6.1(e) or a Programme Resolution concerning matters referred to under Clause 6.3(a) to 6.3(d), will be one or more persons holding or representing at least 50% of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series (with the Covered Bonds of all Series taken together as a single Series in case of a Programme Resolution), or, at an adjourned meeting, one or more persons being or representing Covered Bondholders of the relevant Series for the time being outstanding, whatever the Principal Amount Outstanding of the Covered Bonds so held or represented.

5.2. At any meeting the purpose of which is to pass an Extraordinary Resolution concerning Series Reserved Matters, the quorum will be one or more persons holding or representing not less than two thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series or, at any adjourned meeting, one or more persons being or representing not less than one third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding.

5.3. At any meeting the purpose of which is to pass a Programme Resolution concerning matters referred to under Clause 6.3(e) the quorum will be one or more persons holding or representing not less than two thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series taken together as a single Series, including at an adjourned meeting.

5.4. No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from

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the time initially fixed for the meeting, it shall, if convened on the request of the Covered Bondholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than forty-two (42) calendar days later, and time and place as the chairman may decide.

5.5. Covered Bonds held by the Issuer shall not be taken into account for the calculation of the required quorum.

5.6. For the avoidance of doubt, any modification (regardless of whether such modification is a Series Reserved Matter or not), shall require the consent of the Issuer or upon the initiation of Winding-up Proceedings against the Issuer, the Cover Pool Administrator on behalf of the Special Estate, except that no such consent shall be required in relation to a Programme Resolution referred to under Clause 6.3(b) to 6.3(e).

6. POWERS OF THE MEETING OF COVERED BONDHOLDERS

6.1. Extraordinary Resolution

A meeting of Covered Bondholders shall, subject to the Conditions and only with the consent of the Issuer and/or upon the initiation of Winding-up Proceedings against the Issuer, the Cover Pool Administrator on behalf of the Special Estate and without prejudice to any powers conferred on other persons by these Meeting Rules, have power by Extraordinary Resolution:

(a) to approve any modification, abrogation, variation or compromise in respect of, (i) the rights of the Representative, the Issuer, the Covered Bondholders or any of them, whether such rights arise under the Programme Documents or otherwise, and (ii) these Meeting Rules, the Conditions, any Programme Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Covered Bonds, other than a Series Reserved Matter;

(b) to discharge or exonerate, whether retrospectively or otherwise, the Representative from any liability in relation to any act or omission for which the Representative has or may become liable pursuant or in relation to these Meeting Rules, the Conditions or any Programme Document;

(c) to give any authority or approval which under these Meeting Rules or the Conditions is required to be given by Extraordinary Resolution;

(d) to authorise the Representative (subject to it being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

(e) to waive any breach or authorise any proposed breach by the Issuer of its obligations in respect of the Covered Bonds or to waive the occurrence of an Event of Default;

(f) to reduce or cancel the amount payable or, where applicable, modify the method of calculating the amount payable or modify the date of payment or, where applicable, modify the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds other than in accordance with the terms thereof;

(g) to alter the currency in which payments under the Covered Bonds are to be made;

(h) to alter the quorum or majority required to pass an Extraordinary Resolution; and

(i) to sanction any scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into, or the cancellation of the Covered Bonds in consideration of, shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or

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to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations.

6.2. Ordinary Resolution

A meeting shall, subject to the Conditions and only with the consent of the Issuer or upon the initiation of Winding-up Proceedings against the Issuer, the Cover Pool Administrator on behalf of the Special Estate, and without prejudice to any powers conferred on other persons by these Meeting Rules, have power to decide by Ordinary Resolution on any business which is not listed under Clause 6.1 (*Extraordinary Resolution*) or under Clause 6.3 (*Programme Resolution*).

6.3. Programme Resolution

A meeting shall, subject to the Conditions, and without prejudice to any powers conferred on other persons by these Meeting Rules, have power by Programme Resolution:

(a) with the consent of the Issuer and/or upon the initiation of Winding-up Proceedings against the Issuer, the Cover Pool Administrator on behalf of the Special Estate, to amend the Programme Common Terms;

(b) to direct the Representative to serve a Notice of Default on the Issuer pursuant to Condition 8.1;

(c) to appoint, remove or replace, (i) the Representative, or (ii) the managing director of the Representative in accordance with Clause 6 of Part 2 of the Meeting Rules;

(d) to consider the decision or proposal of the Cover Pool Administrator to proceed with the liquidation of the Special Estate and with the early redemption of the Covered Bonds pursuant to Article 11, 6° of Annex III to the Banking Law; and

(e) to direct the Cover Pool Administrator to proceed with the liquidation of the Special Estate and with the early redemption of the Covered Bonds pursuant to Article 11, 7° of Annex III to the Banking Law.

7. MANAGEMENT OF THE GENERAL MEETINGS

7.1. The Issuer may appoint a chairman (who may, but need not be, a Covered Bondholder). Failing such choice the Representative may appoint a chairman in writing, but if no such appointment is made or if the person appointed is not present within 15 minutes after the time fixed for the meeting of the Covered Bondholders, the meeting shall be chaired by the person elected by the majority of the voters present, failing which, the Representative shall appoint a chairman. The chairman of an adjourned meeting need not to be the same person as was chairman at the original meeting.

7.2. The chairman may with the consent of (and shall if directed by) the meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which could have been transacted at the meeting from which the adjournment took place.

7.3. Notice of any adjourned general meeting shall be given in the same manner as for an original general meeting, and such notice shall state the quorum required at the adjourned general meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned meeting.

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8. VOTING

8.1. Every question submitted to a meeting shall be decided in the first instance by a show of hands, then (subject to Clause 8.2) by a poll.

8.2. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer or the Cover Pool Administrator, as applicable, one or more persons holding Voting Certificates in respect of the Dematerialised Covered Bonds or proxies holding or representing in the aggregate not less than 2% of the relevant Series of the aggregate Principal Amount Outstanding of the Covered Bonds, a declaration by the chairman that a resolution has passed or not passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

8.3. If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

8.4. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

8.5. Any vote given in accordance with the terms of a Block Voting Instruction shall be valid notwithstanding the previous revocation or amendment of the Block Voting Instruction or of any Covered Bondholder's instructions pursuant to which it was executed, provided that no confirmation in writing of such revocation or amendment shall have been received from the Securities Settlement System or Recognised Accountholder by the Issuer at its headquarters (Havenlaan 2, 1080 Brussels, Belgium or such other address as notified to the Covered Bondholders in accordance with the Conditions) by the time being 24 hours before the commencement of the meeting or adjourned meeting at which the Block Voting Instruction is intended to be used.

8.6. In case Covered Bonds are held by the Issuer, the Issuer shall not have any voting rights with respect to such Covered Bonds.

8.7. In the case of an equality of votes the chairman shall have a casting vote in addition to any other votes which he may have.

8.8. An Extraordinary Resolution shall be validly passed by a voting majority of at least two thirds of the aggregate Series Principal Amount Outstanding of the Series of Covered Bonds for which votes have been cast. An Ordinary Resolution shall be validly passed by a simple majority of at least 50% of the aggregate Series Principal Amount Outstanding of the Series of Covered Bonds for which votes have been cast plus one vote. A Programme Resolution shall be validly passed by a simple majority of at least 50% of the aggregate Series Principal Amount Outstanding of the Covered Bonds of all Series for which votes have been cast plus one vote.

8.9. The formalities and procedures to validly cast a vote at a meeting in respect of Registered Covered Bonds shall be such formalities and procedures as described by the Representative.

9. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS REGARDING DEMATERIALISED COVERED BONDS

9.1. Voting Certificates and Block Voting Instructions will only be issued in respect of Dematerialised Covered Bonds (to the satisfaction of such Recognised Accountholder or Securities Settlement System) held to the order or under the control and blocked by a Recognised Accountholder or Securities Settlement System not less than three (3) Business

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Days before the time for which the meeting or the poll to which the same relate has been convened or called and shall be valid for so long as the relevant Dematerialised Covered Bonds continue to be so held and blocked and during the validity thereof the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting of the Covered Bondholders, be deemed to be the holder of the Dematerialised Covered Bonds to which such Voting Certificate or Block Voting Instruction relates and the Recognised Accountholder or Securities Settlement System with which such Dematerialised Covered Bonds have been deposited or to whose order or under whose control they are held or the person holding them blocked as aforesaid shall be deemed for such purpose not to be the holder of those Dematerialised Covered Bonds.

9.2. Each Voting Certificate and each Block Voting Instruction shall be deposited at the registered office of the Issuer not less than three Business Days before the time appointed for holding the meeting or adjourned meeting at which the holder of the Voting Certificate or the proxies named in the Block Voting Instruction propose to vote and in default of such deposit the Voting Certificate or Block Voting Instruction shall not be treated as valid unless the chairman of the general meeting decides otherwise before such meeting or adjourned meeting proceeds to business.

10. MINUTES

Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and signed by the chairman and any such minutes as aforesaid shall be conclusive evidence of the matters therein contained, and until the contrary is proved each such meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted. An attendance list will be attached to the minutes. Certified copies or extracts of the minutes shall be signed by two directors of the Issuer or the Cover Pool Administrator (as the case may be).

11. BINDING RESOLUTIONS

Any Extraordinary or Ordinary Resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with these Meeting Rules shall be binding on all the Covered Bondholders of the relevant Series, whether or not they are present at the meeting and whether or not they vote in favour of such resolution.

Any Programme Resolution passed at a meeting of the Covered Bondholders of all Series duly convened and held in accordance with these Meeting Rules shall be binding on all Covered Bondholders of all Series, whether or not they are present at the meeting and whether or not they vote in favour of such resolution.

Save as the Representative may otherwise agree, the Issuer or the Cover Pool Administrator (as the case may be) shall give notice of the passing of a Resolution to the Covered Bondholders in accordance with Condition 20 (*Notices*) within 14 calendar days of the conclusion of the meeting, but failure to do so shall not invalidate the Resolution.

12. WRITTEN RESOLUTIONS

Except in relation to a Programme Resolution to direct the Cover Pool Administrator to proceed with the liquidation of the Special Estate and with the early redemption of the Covered Bonds pursuant to Article 11, 7° of Annex III to the Banking Law, a resolution in writing signed by or on behalf of holders of 50% of the Series Principal Amount Outstanding of the Covered Bonds of all Series then outstanding shall take effect as a Programme Resolution.

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A resolution in writing signed by or on behalf of holders of two thirds of the Series Principal Amount Outstanding of the relevant Series of Covered Bonds outstanding shall take effect as an Extraordinary Resolution.

A written resolution signed by the holders of 50% of the Series Principal Amount Outstanding of the relevant Series of the Covered Bonds outstanding shall take effect as if it were an Ordinary Resolution.

Such resolutions in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Covered Bondholders.

13. FURTHER REGULATIONS

Subject to all other provisions contained in these Meeting Rules and with the consent of the Issuer or upon the initiation of Winding-up Proceedings against the Issuer or the Cover Pool Administrator on behalf of the Special Estate, the Representative may prescribe such further regulations regarding the holding of meetings of Covered Bondholders and attendance and voting as the Representative may determine in its sole discretion.

PART 2 – REPRESENTATIVE

1. APPOINTMENT

The Representative has been appointed by the Issuer as representative of the Covered Bondholders in accordance with Article 14, §2 of Annex III to the Banking Law and Article 7:63 of the Belgian Code of Companies and Associations upon the terms and conditions set out in the Representative Appointment Agreement and herein.

A resolution to appoint the managing director of the Representative is made by Programme Resolution of the Covered Bondholders, except for the appointment of the first managing director of the Representative which will be Amsterdamsch Trustee's Kantoor B.V.

As long as the Covered Bonds are outstanding, there shall at all times be a representative of the Covered Bondholders in accordance with Article 14, §2 of Annex III to the Banking Law and Article 7:63 of the Belgian Code of Companies and Associations, which has the power to exercise the rights conferred on it by these Conditions, the Meeting Rules of Covered Bondholders, the Representative Appointment Agreement and the law in order to protect the interests of the Covered Bondholders.

By reason of holding Covered Bonds, each Covered Bondholder:

(a) recognises the Representative as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the Representative in such capacity as if such Covered Bondholder were a signatory thereto; and

(b) acknowledges and accepts that the Issuer shall not be liable, except in case of fraud of the Issuer, in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the Covered Bondholders as a result of the performance by the Representative of its duties or the exercise of any of its rights under the Conditions (including the Meeting Rules).

The Issuer shall pay to the Representative a remuneration for its services as Representative as agreed in the Representative Appointment Agreement.

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2. POWERS, AUTHORITIES AND DUTIES

2.1. Powers and representation

The Representative, acting in its own name and on behalf of the Covered Bondholders shall have the power:

(a) to represent the Covered Bondholders as provided for in Article 14, §2 of Annex III to the Banking Law;

(b) to exercise all other powers and rights and perform all duties given to the Representative under the Conditions, including the Meeting Rules of Covered Bondholders, the Programme Documents and the Belgian Covered Bonds Legislation;

(c) upon service of a Notice of Default, to proceed against the Issuer to enforce the performance of the Programme Documents and the Conditions on behalf of the Covered Bondholders and the Other Cover Pool Creditors represented by it;

(d) to collect all proceeds in the course of enforcing the rights of the Covered Bondholders and the Other Cover Pool Creditors represented by it;

(e) to apply or to direct the application of the proceeds of enforcement in accordance with the Conditions; and

(f) generally, to do all things necessary in connection with the performance of such powers and duties.

The Representative may also be appointed to represent Other Cover Pool Creditors provided that such Other Cover Pool Creditors agree with such representation. In relation to any duties, obligations and responsibilities of the Representative to these Other Cover Pool Creditors in its capacity as agent of these Other Cover Pool Creditors, the Representative and these Other Cover Pool Creditors will agree and the Issuer will concur, that the Representative shall discharge these duties, obligations and responsibilities by performing and observing its duties, obligations and responsibilities as representative of the Covered Bondholders in accordance with the provisions of the Representative Appointment Agreement, the Programme Documents and the Conditions.

The Representative may act in court and represent the Covered Bondholders in any bankruptcy or similar insolvency proceedings, without having to reveal the identity of the Covered Bondholders it represents.

2.2. Delegation

The Representative may delegate the performance of any of the foregoing powers to any persons (including any legal entity) whom it may designate. Notwithstanding any sub-contracting or delegation of the performance of its obligations hereunder or under the Representative Appointment Agreement, the Representative shall not thereby be released or discharged from any liability hereunder and shall remain responsible for the performance of the obligations of the Representative and shall be jointly and severally liable for the performance or non-performance or the manner of performance of any sub-contractor, agent or delegate and such sub-contracting or delegation shall not affect the Representative's obligations hereunder or under the Representative Appointment Agreement.

2.3. Meetings and resolutions of the Covered Bondholders

Unless the relevant Resolution provides to the contrary, the Representative is responsible for implementing all Resolutions of the Covered Bondholders. The Representative has the right to convene and attend meetings of Covered Bondholders to propose any course of action which it

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considers from time to time necessary or desirable provided that it shall convene a meeting, (a) upon the request in writing of Covered Bondholders holding not less than one fifth of the aggregate Series Principal Amount Outstanding of the relevant Series of the Covered Bonds, or (b) in the case of a proposed liquidation of the Special Estate in accordance with Article 11, 6° or 7° of Annex III to the Banking Law.

2.4. Consents given by the Representative

Any consent or approval given by the Representative in accordance with these Meeting Rules may be given on such terms as the Representative deems appropriate and, notwithstanding anything to the contrary contained in these Meeting Rules, such consent or approval may be given retrospectively.

The Representative may give any consent or approval, exercise any power, authority or discretion or take any similar action if it is satisfied that the interests of the Covered Bondholders will not be materially prejudiced thereby.

2.5. Discretions

Save as expressly otherwise provided herein, the Representative shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative by these Meeting Rules or by operation of law.

2.6. Instructions

In connection with matters in respect of which the Representative is entitled to exercise its discretion hereunder (including but not limited to forming any opinion in connection with the exercise or non-exercise of any discretion) the Representative has the right (but not the obligation) to convene a meeting of Covered Bondholders in order to obtain the Covered Bondholders' instructions as to how it should act. Prior to undertaking any action, the Representative shall be entitled to request that the Covered Bondholders indemnify it, prefund it and/or provide it with security to its satisfaction.

3. AMENDMENTS

The Representative may upon the request of the Issuer on behalf of the Covered Bondholders and without the consent or sanction of any of the Covered Bondholders of any Series or the Other Cover Pool Creditors it represents at any time and from time to time, concur with the Issuer or any other person in making:

(a) any modification (other than in respect of a Series Reserved Matter) of the terms and conditions applying to the Covered Bonds of one or more Series (including the Conditions and including the Programme Common Terms) or any Programme Document provided that in the sole opinion of the Representative such modification is not materially prejudicial to the interests of the Covered Bondholders of any such Series; or

(b) any modification of the terms and conditions applying to Covered Bonds of any one or more Series (including the Conditions and including the Programme Common Terms) or any Programme Document which is in the sole opinion of the Representative of a formal, minor or technical nature or is to correct a manifest error or to comply with the mandatory provisions of law such as for example and without limitation the provisions implementing Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.

Any such modification shall be binding on the Covered Bondholders.

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In no event may such modification be a Series Reserved Matter. The Representative shall not be bound to give notice to Covered Bondholders of any modifications to the Programme Documents agreed pursuant to this Clause. The Issuer or the Cover Pool Administrator, as applicable, shall cause notice of any such modification to be given to the Rating Agencies and the Paying Agent.

If, in the Representative's opinion, it is not sufficiently established that the proposed amendment or variation can be approved by it in accordance with this Clause, it will determine in its full discretion whether to submit the proposal to a duly convened meeting of Covered Bondholders or to refuse the proposed amendment or variation.

The Representative shall be bound to concur with the Issuer and any other party in making any of the above-mentioned modifications if it is so directed by a Resolution taken in accordance with the Meeting Rules and if it is indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing.

Upon the Issuer's request, the Representative shall, without the consent or sanction of any of the Covered Bondholders, concur with the Issuer in making any modifications to the Conditions, to these Meeting Rules or to the Programme Common Terms that the Issuer may decide in its discretion in order to comply with mandatory provisions of law or with any criteria of a Rating Agency which may be published after the signing of the initial agreement(s) for the issuance of and subscription for the Covered Bonds and which the Issuer certifies to the Representative in writing are necessary to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Series of Covered Bonds, provided that the Representative shall not be obliged to agree to any modification which, in the sole opinion of the Representative, would have the effect of, (i) exposing the Representative to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction, or (ii) increasing the obligations or duties, or decreasing the protections, of the Representative in these Meeting Rules or the Conditions. For the avoidance of doubt, such modification may include, without limitation, modifications which would allow any derivative contract counterparty not to post collateral in circumstances where it previously would have been obliged to do so.

Notwithstanding the foregoing, upon the Issuer's request, the Representative shall, without the consent or sanction of any of the Covered Bondholders, concur with the Issuer in making any modifications to the Programme Common Terms set out in Clause 5 (*Issuer Undertakings*), Clause 8 (*Priorities of Payments*) and Clause 9 (*Covered Bonds Provisions*) of the Programme Common Terms Agreement that the Issuer may decide in its own discretion in relation to future issues of Covered Bonds under the Programme provided that, (A) such modifications will not affect the then current ratings assigned by a Rating Agency to any Series of Covered Bonds issued under the Programme, and (B) the Issuer certifies to the Representative in writing that these modifications will not affect the rights of Covered Bonds already issued under the Programme, provided that the Representative shall not be obliged to agree to any modification which, in the sole opinion of the Representative would have the effect of, (1) exposing the Representative to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction, or (2) increasing the obligations or duties, or decreasing the protections, of the Representative, in the Meeting Rules of Covered Bondholders. For the avoidance of doubt, such modification may include, without limitation, modifications which would allow any derivative contract counterparty not to post collateral in circumstances where it previously would have been obliged to do so.

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4. WAIVERS

4.1. Waivers

The Representative may in its sole discretion, without the consent of the Covered Bondholders and without prejudice to its rights in respect of any further or other breach, condition, event or act from time to time and at any time, but only if and in so far as in its opinion the interests of the Covered Bondholders will not be materially prejudiced thereby, (a) authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Representative Appointment Agreement, the Covered Bonds or any of the Programme Documents, or (b) determine that any breach shall not, or shall not be subject to specified conditions, be treated as such. Any such authorisation, waiver or determination pursuant to this Clause shall be binding on the Covered Bondholders and if, but only if, the Representative shall so require, notice thereof shall be given to the Covered Bondholders and the Rating Agencies.

4.2. Reliance

In determining whether or not any power, trust, authority, duty or discretion or any change, event or occurrence under or in relation to the Conditions or any of the Programme Documents will be materially prejudicial to the interests of Covered Bondholders, the Representative shall be able to rely on, and act on any advice or opinion of or any certificate obtained from a valuer, accountant, banker, broker, securities company or other company other than the Rating Agencies whether obtained by itself or the Issuer and it shall not be liable for any loss occasioned by such action, save where such loss is due to its gross negligence, wilful misconduct or fraud.

5. CONFLICTS OF INTEREST

In connection with the exercise of its powers, authorities and discretions, the Representative shall have regard to the overall interests of the Covered Bondholders and of the Other Cover Pool Creditors that have agreed to be represented by the Representative. The Representative shall not be obliged to have regard to any interests arising from circumstances particular to individual Covered Bondholders or such Other Cover Pool Creditors.

The Representative shall, as regards the powers, authorities and discretions vested in it, except where expressly provided otherwise, have regard to the interests of both the Covered Bondholders and the Other Cover Pool Creditors that have agreed to be represented by the Representative but if, in the opinion of the Representative, there is a conflict between the interests the Covered Bondholders and those Other Cover Pool Creditors, the Representative will have regard solely to the interest of the Covered Bondholders.

6. REPLACEMENT OF THE REPRESENTATIVE OR OF THE MANAGING DIRECTOR OF THE REPRESENTATIVE

6.1. Replacement of the Representative

The Covered Bondholders shall be entitled to terminate the appointment of the Representative by means of a Programme Resolution, provided that in the same resolution a substitute Representative is appointed.

Such substitute Representative must meet all legal requirements to act as Representative and accept to be bound by the terms of the Conditions and the Programme Documents in the same way as its predecessor.

Neither the managing director of the Representative nor the Representative so removed shall be responsible for any costs or expenses arising from any such removal.

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Upon such appointment being made all rights and powers granted to the company then acting as Representative shall terminate and shall automatically be vested in the substitute Representative so selected. All references to the Representative in the Programme Documents shall where and when appropriate be read as references to the substitute Representative as selected and upon vesting of rights and powers pursuant to this Clause.

Such termination shall also terminate the appointment and power of attorney by the Other Cover Pool Creditors.

The Representative shall not be discharged from its responsibilities under the Representative Appointment Agreement until a suitable substitute Representative is appointed.

6.2. Replacement and resignation of the managing director of the Representative

The Covered Bondholders shall be entitled to terminate the appointment of the managing director of the Representative by means of a Programme Resolution, provided that in the same resolution a substitute managing director of the Representative is appointed.

Such substitute managing director of the Representative must meet all legal requirements to act as managing director of the Representative and accept to be bound by the terms of the Conditions and the Programme Documents in the same way as its predecessor.

Neither the managing director of the Representative nor the Representative so removed shall be responsible for any costs or expenses arising from any such removal.

Pursuant to the Representative's articles of association, its managing director ceases to hold office in the following cases:

(a) upon voluntary resignation, provided that a successor managing director is appointed;

(b) in the case of a legal entity, upon the ceasing to exist as legal entity, or, in the case of an individual, upon his/her death;

(c) upon the managing director being declared bankrupt, applying for a suspension of payments or petitioning for application of the debt restructuring provision referred to in the Dutch bankruptcy act in respect of the managing director, provided that a successor managing director is appointed;

(d) upon removal from office by the court in cases provided for by the laws of the Netherlands;

(e) upon removal from office by the board of the Representative, provided that a successor managing director is appointed; and

(f) upon removal from office by a Programme Resolution of the Covered Bondholders in accordance with Clause 6.2.

If the managing director has ceased to hold office without a successor managing director having been appointed by the board of the Representative, a successor managing director may be appointed by the Covered Bondholders by means of a Programme Resolution.

Unless the managing director is removed or resigns in accordance with this Clause, it shall remain in office until the date on which all Series of Covered Bonds have been cancelled or redeemed and on which all claims of the Other Cover Pool Creditors (to the extent represented by the Representative) against the Issuer and the Special Estate have been settled.

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6.3. Representation of Other Cover Pool Creditors

Any resolution to appoint or to remove the Representative and any appointment, removal or resignation of its managing director shall also be binding upon the Other Cover Pool Creditors that have chosen to be represented by the Representative. The Other Cover Pool Creditors (to the extent represented by the Representative) must be notified of the replacement or resignation of the Representative and of the managing director of the Representative.

7. ACCOUNTABILITY, INDEMNIFICATION AND EXONERATION OF THE REPRESENTATIVE

If so requested in advance by the Issuer or the Cover Pool Administrator, as applicable, the Representative shall report to the meeting of Covered Bondholders on the performance of its duties under the Representative Appointment Agreement and the Programme Documents provided such request is notified by registered mail no later than ten (10) Business Days prior to the relevant meeting of Covered Bondholders. The Issuer or the Cover Pool Administrator, as applicable, shall require such report if so requested by those Covered Bondholders who have requested that such meeting be convened.

The Representative Appointment Agreement contains provisions governing the responsibility (and relief from responsibility) of the Representative and providing for its indemnification in certain circumstances, including provisions relieving the Representative from taking enforcement proceedings unless indemnified to its satisfaction.

The Representative shall not be liable to the Issuer or any of the Covered Bondholders or the Other Cover Pool Creditors represented by it in respect of any loss or damage which arises out of the exercise, or the attempted exercise of, or the failure to exercise any of its powers or any loss resulting therefrom, except that the Representative shall be liable for such loss or damage that is caused by its gross negligence, wilful misconduct or fraud.

The Representative shall not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Cover Assets, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Issuer or any agent or related company of the Issuer or by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons.

The Representative shall have no liability for any breach of or default under its obligations under the Representative Appointment Agreement if and to the extent that such breach is caused by any failure on the part of the Issuer or any of the Other Cover Pool Creditors (other than the Representative) to duly perform any of their material obligations under any of the Programme Documents. In the event that the Representative is rendered unable to duly perform its obligations under the Representative Appointment Agreement by any circumstances beyond its control (*overmacht/force majeure*), the Representative shall not be liable for any failure to carry out its obligations under the Representative Appointment Agreement and, for so long as such circumstances continue, its obligations under the Representative Appointment Agreement which are thus affected will be suspended without liability for the Representative.

The Representative shall not be responsible for monitoring the compliance by any of the other parties (including the Issuer and the Cover Pool Monitor) with their obligations under the Programme Documents. The Representative may, until it has actual knowledge or express notice to the contrary, assume the Issuer and the Cover Pool Monitor are observing and performing all their obligations under any of the Programme Documents and in any notices or acknowledgements delivered in connection with any such Programme Documents.

The Representative shall not be responsible for ensuring that the Issuer complies with the obligations applicable to it under the Belgian Covered Bonds Legislation or that any asset is

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duly registered in the Register of Cover Assets and that the Register of Cover Assets is duly maintained.

Except if such meeting is convened by the Representative, but only to the extent that any defect has arisen directly from the Representative's gross negligence, wilful misconduct or fraud, the Representative shall not be liable for acting upon any resolution purporting to have been passed at any meeting of the Covered Bondholders in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or passing of the resolution or that for any reason the resolution was not valid or binding upon such Covered Bondholders.

If the Representative has acted upon such resolution, each Covered Bondholder shall forthwith on demand indemnify the Representative for its pro rata share in any liability, loss or expense incurred or expected to be incurred by the Representative in any way relating to or arising out of its acting as Representative in respect of that resolution, except to the extent that the liability or loss arises directly from the Representative's gross negligence, wilful misconduct or fraud. The liability shall be divided between the Covered Bondholders pro rata according to the respective Principal Amount Outstanding of the Covered Bonds held by each of them respectively.

8. INSTRUCTIONS AND INDEMNITY

The Representative shall not be bound to take any action under its powers or duties unless:

(a) it shall have been directed to do so by an Extraordinary Resolution of the Covered Bondholders or in relation to the service of a Notice of Default pursuant to Condition 8.1 (*Events of Default*) it shall have been requested to do so by a request in writing by the holders of not less than 25% of the aggregate of the Series Principal Amount Outstanding of the Covered Bonds of all Series then outstanding but excluding the Covered Bonds held by the Issuer for the calculation of the percentage or if so directed by a Programme Resolution; and

(b) it shall in all cases have been indemnified to its satisfaction against all liability, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith, save where these are due to its own gross negligence, wilful misconduct or fraud.

Whenever the interests of the Covered Bondholders are or can be affected in the opinion of the Representative, the Representative may – if indemnified to its satisfaction – take legal action on behalf of the Covered Bondholders and represent the Covered Bondholders in any insolvency proceedings and any other legal proceedings initiated against the Issuer or any other party to a Programme Document.

The Representative can under no circumstances, including the situation wherein Covered Bondholders' instruction or approval cannot be obtained for whatever reason, be required to act without it being remunerated and indemnified or secured to its satisfaction.

The Representative shall be indemnified by the Issuer and held harmless in respect of any and all liabilities and expenses incurred by it or by anyone appointed by it or to whom any of its functions may be delegated by it in carrying out its functions.

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FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme and made available on the Issuer's website on the following page: *https://www.kbc.com/nl/investor-relations/schulduitgiften/kbc-bank/kbc-bank-residential-mortgage-covered-bonds-programme.html*[10]. Text in this section appearing in italics does not form part of the Final Terms but provides directions for completing the Final Terms.

Final terms dated [_____]

KBC Bank NV

Issue of
[Aggregate Nominal Amount of Tranche] [Title of Covered Bonds] due [●]

under the
EUR 17,500,000,000 Residential Mortgage Covered Bonds Programme

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECP) ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. The manufacturers (i.e. [*insert relevant Dealers*]) are solely responsible for this target market assessment, and this target market assessment is subject to change. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECP) ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Directive (EU) 2016/97 (as amended),

[10] This webpage is not incorporated by reference and does not form part of this Base Prospectus, and has hence not been scrutinised or approved by the FSMA.

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where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, the Issuer has not prepared a key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Acts 2000 (as amended, the **UK FSMA 2000**) and any rules or regulations made under the UK FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of [Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**)]/[UK MiFIR]. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE – The Covered Bonds are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO CONSUMERS – The Covered Bonds are not intended to be offered, sold to or otherwise made available to and will not be offered, sold or otherwise made available by any Dealer to any "consumer" (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit economique*), as amended.

Any person making or intending to make an offer of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Regulation (EU) 2017/1129 (the **Prospectus Regulation**) or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.

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PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] 2025 [and the supplement(s) to it dated [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the Issuer's website [●][11].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date:

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [*original date*] [and the supplement(s) to it dated [●]] which are incorporated by reference in the Base Prospectus dated [[●]July 2025]. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated [[●]July 2025] [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**) in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] [and the supplement(s) to it dated [●]]. The Base Prospectus (together with the Conditions extracted from the Base Prospectus dated [*original date*] [and the supplement(s) to it dated [●]]) has been published on the Issuer's website [https://www.kbc.com/en/euro-10000000000-residential-mortgage-covered-bonds-programme-issued-kbc-bank-nv].[12]

Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted).

1.	(a)	Series Number:	[●]
	(b)	Tranche Number	[●]
	(c)	[Date on which Covered Bonds will be consolidated and form a single Series]	[Not Applicable/The Covered Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [*insert date*/the Issue Date/].]
2.	Specified Currency:		Euro (**EUR**)
3.	Aggregate Nominal Amount:		[●]
	(a)	[Series:	[●]]
	(b)	[Tranche:	[●]]
4.	Issue Price:		[●]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]

[11] *This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.*

[12] *This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.*

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5.	Specified Denominations:		[●]
6.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[Issue Date/[●]/Not Applicable]
7.	(a)	Final Maturity Date:	[●] [*Fixed rate – specify date/Floating Rate – Interest Payment Date falling in or nearest to the relevant month and year*]
		Business Day Convention for Final Maturity Date:	[Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
		Additional Business Centre(s):	[●] / [Not Applicable] (*please specify other financial centres required for the Business Day definition)*
	(b)	Extended Final Maturity Date:	[insert date] *[the date should be that falling one year after the Maturity Date]*
		Business Day Convention for Extended Final Maturity Date:	[Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
		Additional Business Centre(s):	[●] / [Not Applicable] (*please specify other financial centres required for the Business Day definition)*
8.	Interest Basis:		
	(a)	Period to (but excluding) Final Maturity Date:	[[●]% Fixed Rate] [Floating Rate] [Zero Coupon] (further particulars specified below)
	(b)	Period from Final Maturity Date to (but excluding) Extended Final Maturity Date:	[[●]% Fixed Rate] [Floating Rate] [Zero Coupon] (further particulars specified below)
9.	Redemption Basis:		Subject to any purchase and cancellation [or early redemption], the Covered Bonds will be redeemed on the Final Maturity Date at [•] per cent. of their nominal amount or on the Extended Final Maturity Date at [•] per cent. of their nominal amount
10.	Change of Interest Basis:		[(*Specify details of any provision for convertibility of Covered Bonds into another Interest Basis*)] / [Not Applicable]
11.	(a)	Status of the Covered Bonds:	*Belgische pandbrieven/lettres de gage belges* / European covered bonds (premium)

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(b)	[Date [executive board (or similar)] approval for issuance of Covered Bonds obtained:]	[●] (*NB Only relevant where executive board (or similar) authorisation is required for the particular tranche of Covered Bonds*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. Fixed Rate Covered Bond Provisions

(a)	To Final Maturity Date:		[Applicable/Not Applicable]
(b)	From Final Maturity Date to Extended Final Maturity Date:		[Applicable/Not Applicable] (*If (a) and (b) are not applicable, delete the remaining subparagraphs of this paragraph*)
(c)	Rate[(s)] of Interest:		
	(i)	To Final Maturity Date:	[Not Applicable] / [●]% per annum [payable [annually/semi-annually/quarterly/monthly/*other* (*specify*)] in arrear]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [●]% per annum [payable [annually/semi-annually/quarterly/monthly/*other* (*specify*)] in arrear]
(d)	Interest Period End Date(s):		
	(i)	To Final Maturity Date:	[Not Applicable] / [●] in each year, starting on [●], up to and including the [●]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [●] in each [year] [month], starting on [●], up to and including [●] (*NB This will need to be amended in the case of long or short coupons*)
(e)	Business Day Convention for Interest Period End Dates:		
	(i)	To Final Maturity Date:	**[**Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] **[**Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
(f)	Interest Payment Date(s):		
	(i)	To Final Maturity Date:	[Not Applicable] / [[●] in each year up to and including the Final Maturity Date][Interest Payment Dates will correspond to Interest Period End Dates]

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	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [[●] in each [year] [month] up to and including the Extended Final Maturity Date, if applicable][Interest Payment Dates will correspond to Interest Period End Dates] (provided, however, that after the Final Maturity Date, the Interest Payment Date shall be monthly)
(g)	Business Day Convention for Interest Payment Dates:		
	(i)	To Final Maturity Date:	[Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
(h)	Additional Business Centre(s):		
	(i)	To Final Maturity Date:	[Not Applicable] / [●] (*please specify other financial centres required for the Business Day definition)*
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [●] (*please specify other financial centres required for the Business Day definition)*
(i)	Day Count Fraction:		
	(i)	To Final Maturity Date:	*(Specify one of the options listed below)* [Actual/Actual (ICMA)] [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	*(Specify one of the options listed below)* [Actual/Actual (ICMA)] [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1] (*See Condition 4.1 for alternatives*)
(j)	Determination Date:		
	(v)	To Final Maturity Date:	[Not Applicable] / [[●] in each year]

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	(vi)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [[●] in each year] [*Insert regular Interest Period End Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*] (*This will need to be amended in the case of regular Interest Period End Dates which are not of equal durations*) (*NB Only relevant where Day Count Fraction is Actual/Actual* (*ICMA*))
13.	Floating Rate Covered Bond Provisions		
	(a)	To Final Maturity Date:	[Applicable/Not Applicable]
	(b)	From Final Maturity Date to Extended Final Maturity Date:	[Applicable/Not Applicable] (*If (a) and (b) are not applicable, delete the remaining sub paragraphs of this paragraph*)
	(c)	Interest Period End Dates:	
		(i) To Final Maturity Date:	[Not Applicable] / [[●] in each year, starting on [●], up to and including the [●]]
		(ii) From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [[●] in each [month] [year], starting on [●], up to and including [●]] (*NB This will need to be amended in the case of long or short coupons*)
	(d)	Business Day Convention for Interest Period End Dates:	
		(i) To Final Maturity Date:	[Floating Rate Convention/Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
		(ii) From Final Maturity Date to Extended Final Maturity Date:	[Floating Rate Convention/Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
	(e)	Interest Payment Dates:	
		(i) To Final Maturity Date:	[Not Applicable] [[●] in each year, starting on [●], up to and including the Final Maturity Date] [Interest Payment Dates will correspond to Interest Period End Dates]
		(ii) From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] [[●] in each year, starting on [●], up to and including the Extended Final Maturity Date] [Interest Payment Dates will correspond to Interest Period End Dates] (provided however that after the Final

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			Maturity Date, the Interest Payment Date shall be monthly)
(f)	Business Day Convention for Interest Payment Dates:		
	(i)	To Final Maturity Date:	[Floating Rate Convention/Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Floating Rate Convention/Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
(g)	Additional Business Centre(s):		
	(i)	To Final Maturity Date:	[Not Applicable] / [●] (*please specify other financial centres required for the Business Day definition)*
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [●] (*please specify other financial centres required for the Business Day definition)*
(h)	Manner in which the Rate(s) of Interest is/are to be determined:		
	(i)	To Final Maturity Date:	[Not Applicable] / [Screen Rate Determination/ISDA Determination]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [Screen Rate Determination/ISDA Determination]
(i)	Party responsible for calculating the Rate of Interest and Interest Amount:		
	(i)	To Final Maturity Date:	[Not Applicable] / [●] (*Give name and address*)
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [●] (*Give name and address*)
(j)	Screen Rate Determination:		
	(i)	To Final Maturity Date:	[Applicable] / [Not Applicable]
			(*If (i) is not applicable, delete the remaining subparagraphs of this paragraph*)
		Reference Rate:	[●]
			(*Insert relevant EURIBOR*)
		Interest Determination Date(s):	[●] [(*the second day on which T2 is open prior to the start of each Interest Period*)]
		Relevant Screen Page:	[●]

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(*In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)

Relevant Time: [●]

(ii) From Final Maturity Date to Extended Final Maturity Date: [Applicable] / [Not Applicable]

(*If (ii) is not applicable, delete the remaining subparagraphs of this paragraph*)

Reference Rate: [●]

(*Insert relevant EURIBOR*)

Interest Determination Date(s): [●] [(*the second day on which T2 is open prior to the start of each Interest Period*)]

(*NB Specify the Interest Determination Date(s) up to and including the Extended Final Maturity Date, if applicable*)

Relevant Screen Page: [●]

(*In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)

Relevant Time: [●]

(k) ISDA Determination

(i) To Final Maturity Date: [Applicable] / [Not Applicable]

(*If (i) is not applicable, delete the remaining subparagraphs of this paragraph*)

Floating Rate Option: [●]

Designated Maturity: [●]

Reset Date: [●]

(ii) From Final Maturity Date to Extended Final Maturity Date: [Applicable] / [Not Applicable]

(*If (ii) is not applicable, delete the remaining subparagraphs of this paragraph*)

Floating Rate Option: [●]

Designated Maturity: [●]

Reset Date: [●]

(l) Margin(s):

(i) To Final Maturity Date: [Not Applicable] / [[+/-][●]% per annum]

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	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [[+/-][●]% per annum]
(m)	Minimum Rate of Interest:		
	(i)	To Final Maturity Date:	[Not Applicable] / [[●]% per annum]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [[●]% per annum]
(n)	Maximum Rate of Interest:		
	(i)	To Final Maturity Date:	[Not Applicable] / [[●]% per annum]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	[Not Applicable] / [[●]% per annum] *(With respect to any Interest Period, insert: (i) Minimum Rate of Interest to floor the Rate of Interest; (ii) Maximum Rate of Interest to cap the Rate of Interest; and (iii) Minimum Rate of Interest and Maximum Rate of Interest to collar the Rate of Interest)*
(o)	Day Count Fraction:		
	(i)	To Final Maturity Date:	*(Specify one of the options listed below)* [Actual/Actual (ICMA)] [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1] [Not Applicable]
	(ii)	From Final Maturity Date to Extended Final Maturity Date:	*(Specify one of the options listed below)* [Actual/Actual] or [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] or [360/360] or [Bond Basis] [30E/360] or [Eurobond Basis] [30E/360 (ISDA)] [1/1] [Not Applicable] (*See Condition 4.2(b) for alternatives*)
14.	Zero Coupon Covered Bond Provisions:		[Applicable/Not Applicable][up to and including the Final Maturity Date] (*If not applicable, delete the remaining sub paragraphs of this paragraph*)
(a)	Accrual Yield:		[●]% per annum

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	(b)	Reference Price:	[●]
	(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]]
	(d)	Additional Business Centre(s):	[●] (*please specify other financial centres required for the Business Day definition)*
	(e)	Day Count Fraction in relation to Early Redemption Amounts and late payments:	[Conditions [●]and [●] apply/*specify other*]

PROVISIONS RELATING TO REDEMPTION

15.	Final Redemption Amount of each Covered Bond:	Principal Amount Outstanding/*specify other*
16.	Early Redemption Amount:	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, illegality or on event of default or other early redemption:	[[●]/Condition 6.3 applies]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

17.	Form of Covered Bonds:	[Dematerialised Covered Bonds]/[Registered Covered Bonds]
18.	Additional Financial Centre(s) or other special provisions relating to [Interest Payment Days]:	[Not Applicable/*give details*]. (*Covered Bond that this item relates to, the date and place of payment, and not interest period end dates, to which items [14(b) and 15(a) relates*)]
19.	[Consolidation provisions:]	[Not Applicable/The provisions [in Condition 21 (*Further Issues*)] apply]

DISTRIBUTION

20.	(a)	If syndicated, names of Managers:	[Not Applicable/*give names and addresses*]
	(b)	Date of Subscription Agreement	[●]
	(c)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
21.	If non-syndicated, name of relevant Dealer:		[Not Applicable/*give name*]
22.	U.S. Selling Restrictions:		Reg. S Compliance Category 2, TEFRA not applicable
23.	Additional selling restrictions:		[Not Applicable/*give details*]

RESPONSIBILITY

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The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: [●]

Authorised signatory

By: [●]

Authorised signatory

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PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

1.1.	Admission to trading and admission to listing:	[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [the regulated market of] [Euronext Brussels] / [*specify other relevant regulated market, third country market, SME Growth Market or MTF*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market, third country market, SME Growth Market or MTF*] with effect from [●]/[the Issue Date].] [Not Applicable.]
1.2.	Estimate of total expenses related to admission to trading:	[●] / [Not Applicable]

2. RATINGS

Ratings: [The Covered Bonds to be issued [have been]/[are expected to be] rated:]

[The Covered Bonds to be issued have not been specifically rated, but Covered Bonds of the type being issued under the Programme generally have been rated:]

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Insert one (or more) of the following options, as applicable[13]*:*

[*[Insert legal name of particular credit rating agency entity(ies) providing rating]* is established in the EU and registered under Regulation (EC) No 1060/2009, as amended

[13] A list of registered Credit Rating Agencies is published on the ESMA website (http://www.esma.europa.eu/). This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA

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by Regulation (EU) No 513/2011 (the **CRA Regulation**).] /

[*[Insert legal name of particular credit rating agency entity(ies) providing rating]* is established in the United Kingdom and registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).]

[*[Insert legal name of particular credit rating agency entity(ies) providing rating]* is established in the EU and has applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the **CRA Regulation**), although notification of the registration decision has not yet been provided.] /

[*[Insert legal name of particular credit rating agency entity(ies) providing rating]* is established in the EU and has applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] /

[*[Insert legal name of particular credit rating agency entity(ies) providing rating*] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the **CRA Regulation**).] /

[*[Insert legal name of particular credit rating agency entity(ies) providing rating*] is established in the United Kingdom and is neither registered nor has it applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] /

[*[Insert legal name of particular credit rating agency entity(ies) providing rating]* is not established in the EU but the rating it has given to the Mortgage Pandbrieven is endorsed by *[insert legal name of credit rating agency(ies)]*, [each of] which is established in the EU and registered under

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Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the **CRA Regulation**).] /

[*[Insert legal name of particular credit rating agency entity(ies) providing rating]* is not established United Kingdom but the rating it has given to the Mortgage Pandbrieven is endorsed by *[insert legal name of credit rating agency(ies)]*, [each of] which is established in the UK and registered under the Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] /

[*[Insert legal name of particular credit rating agency entity(ies) providing rating]* is not established in the EU but is certified under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the **CRA Regulation**).] /

[*[Insert legal name of particular credit rating agency entity(ies) providing rating]* is not established in the United Kingdom but is certified under Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).]

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

3. **DERIVATIVE CONTRACT** [Applicable] /[Not Applicable]

(*If not applicable, delete the remaining sub paragraphs of this paragraph*)

Derivative Contract Provider: [●]

Nature of Derivative Contract: [●]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

(*Include a description of any interest, including any conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. This requirement may be satisfied by the inclusion of the following statement*:)

[Save as discussed in [the section "Subscription and Sale" of the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.] (*Amend as appropriate if there are other interests.)*

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

5. REASONS FOR THE OFFER

Reasons for the offer:	[●]/[See section "Use of Proceeds" of the Base Prospectus]/[The Issuer will apply the net proceeds exclusively to Green Bond Eligible Assets in accordance with the Green Bond Framework] *(See section "Use of Proceeds" in the Base Prospectus - if reasons for the offer are different from general corporate purposes of the Issuer, include those reasons here, including if the Issuer will apply the net proceeds exclusively to Green Bond Eligible Assets in accordance with the Green Bond Framework. If the Issuer will apply the net proceeds exclusively to Green Bond Eligible Assets in accordance with the Green Bond Framework, specify whether proceeds will be applied to finance or refinance, in whole or in part, Green Bond Eligible Assets. Where relevant, also specify the type or category of the Green Bond Eligible Assets.)*
[Estimated net proceeds:	[●]]

6. YIELD

[Indication of yield:	(*Include only for Fixed Rate Covered Bonds only*) [●] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. **OPERATIONAL INFORMATION**

ISIN:	[●]
Common Code:	[●]
(Insert here any other relevant codes such as CINS codes):	[●]
Any clearing system(s) other than the Securities Settlement System and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
Delivery:	

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Names and addresses of Registrar (if other than the Issuer):	
Names and addresses of initial Paying Agent(s):	
Names and addresses of additional Paying Agent(s) (if other than the Issuer):	
Name and address of the Calculation Agent (if any):	
Benchmark	[Not applicable]/ [[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation.]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation.]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No] [Note that the designation "yes" simply means that the Covered Bonds to be held in a manner which would allow Eurosystem eligibility and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

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FORM OF THE COVERED BONDS

Form

The Covered Bonds can be issued in dematerialised form (**Dematerialised Covered Bonds**) or in registered form (**Registered Covered Bonds**).

Registered Covered Bonds will be registered in a register maintained by the Issuer or by a registrar on behalf of the Issuer (the **Registrar**) in accordance with the Belgian Code of Companies and Associations. Holders of Registered Covered Bonds can obtain a certificate demonstrating the registration of the Registered Covered Bonds in the register.

The Dematerialised Covered Bonds will be issued in dematerialised form in accordance with the Belgian Code of Companies and Associations.

The Dematerialised Covered Bonds will be represented by a book entry in the records of the securities settlement system operated by the National Bank of Belgium with its registered office at de Berlaimontlaan 14, 1000 Brussels (the **NBB**) or any successor thereto (the **Securities Settlement System**). The Dematerialised Covered Bonds can be held by their holders through the direct and indirect participants in the Securities Settlement System, including Clearstream Banking Frankfurt, Euroclear Bank, Euroclear France, Euronext Securities Milan, IBERCLEAR, OeKB, SIX SIS, Clearstream Banking Luxembourg, LuxCSD, Euronext Securities Porto and any other national or international NBB investors central securities depository (**NBB investor (I)CSDs**)[14], and through other financial intermediaries which in turn hold the Dematerialised Covered Bonds through any NBB investor (I)CSDs or other participants in the Securities Settlement System.

The Dematerialised Covered Bonds will be accepted for clearance (settlement) through the Securities Settlement System and will accordingly be subject to the Settlement System Regulations. Holders of Dematerialised Covered Bonds are entitled to exercise the rights they have, including exercising their voting rights and other associative rights (as defined for the purposes of Article 7:41 of the Belgian Code of Companies and Associations) against the Issuer in accordance with the Conditions and without prejudice to the powers of the Representative upon submission of an affidavit drawn up by the NBB and any NBB investor (I)CSDs or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Dematerialised Covered Bonds (or the position held by the financial institution through which their Covered Bonds are held with the NBB and any NBB investor (I)CSDs in which case an affidavit drawn up by that financial institution will also be required).

References to the Securities Settlement System, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, Euroclear Bank, Euroclear France, Euronext Securities Milan, Euronext Securities Porto, LuxCSD, IBERCLEAR, OeKB, SIX SIS and any other NBB investor (I)CSDs shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Paying Agent.

The Issuer and the Paying Agent will not have any responsibility for the proper performance by the Securities Settlement System or its Participants of their obligations under their respective rules and operating procedures.

[14] The official list of participants as amended, supplemented and/or replaced from time to time can be consulted on the website of the NBB (www.nbb.be). The information contained on the website of the National Bank of Belgium (www.nbb.be) does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

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The Dematerialised Covered Bonds and the Registered Covered Bonds may not be exchanged for Covered Bonds in bearer form. Registered Covered Bonds may not be exchanged for Dematerialised Covered Bonds.

Title and transfer

Title to and transfer of Dematerialised Covered Bonds will be evidenced only by records maintained by the Securities Settlement System, any NBB investor (I)CSDs or other Securities Settlement System participants and in accordance with the applicable rules and procedures for the time being of the Securities Settlement System, such NBB investor (I)CSDs or other Securities Settlement System participants, as the case may be.

Title to and transfer of Registered Covered Bonds shall pass by registration of the transfer by the Issuer or by the Registrar in a register in accordance with the Belgian Code of Companies and Associations. Upon a sale or transfer of Registered Covered Bonds, the seller thereof will be required to complete the relevant transfer documents and certificates. Those can be found, in case of issuance of any registered bonds, on the website at www.kbc.com[15] or can be obtained from the Registrar. The transfer documents and any other information on www.kbc.com are not incorporated in and do not form part of this Base Prospectus and they have not been and will not be scrutinised or approved by the FSMA.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Covered Bond shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

Payments

All payments of principal or interest owing under the Dematerialised Covered Bonds shall be made through the Paying Agent and the Securities Settlement System in accordance with the Settlement System Regulations and the Clearing Services Agreement. The Issuer will validly discharge its payment obligations towards the Dematerialised Covered Bondholders by payment to the Securities Settlement System through the intervention of the Paying Agent.

Payments of principal and interest in respect of Registered Covered Bonds shall be paid to the person shown on the register of the Registered Covered Bonds at the close of business on the fifteenth calendar day before the due date for payment thereof.

[15] The information on the Issuer's website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except to the extent that such information is explicitly incorporated by reference in this Base Prospectus

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AMOUNTS PAYABLE BY REFERENCE TO REFERENCE RATES

Amounts payable under the Covered Bonds may be calculated by reference to certain reference rates such as EURIBOR.

Benchmark Regulation

Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the **Benchmark Regulation**). Not every reference rate will fall within the scope of the Benchmark Regulation.

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and applied from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

If amounts payable under the Covered Bonds are calculated by reference to a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 of the Benchmark Regulation. The register can be consulted on the website https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_bench_entities. This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms (or, if located outside the European Union, recognition, endorsement or equivalence).

The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms or supplement this Base Prospectus to reflect any change in the registration status of the relevant administrator.

Benchmark replacement

The Terms and Conditions of the Covered Bonds contain fall-back provisions in case the relevant reference rate ceases to be published for a certain period or another Benchmark Event (as defined therein) occurs. See Condition 4.2(h) (*Benchmark replacement*) on page 139. Below is a brief summary of these fallback provisions, but investors should note that only the Conditions are binding.

The Issuer may, after appointing and consulting with an Reference Rate Determination Agent, determine a Successor Rate or Alternative Reference Rate to be used in place of the relevant Benchmark where that relevant Benchmark has been selected as the Reference Rate to determine the Rate of Interest. The use of any such Successor Rate or Alternative Reference Rate to determine the Rate of Interest may result in Covered Bonds linked to or referencing the relevant Benchmark performing differently (including paying a lower Rate of Interest) than they would do if the relevant Benchmark were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Reference Rate for the relevant Benchmark is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions, as necessary,

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to ensure the proper operation of such Successor Rate or Alternative Reference Rate, without any requirement for consent or approval of the Covered Bondholders.

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

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STABILISATION

In connection with the issue of any Tranche of Covered Bonds, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager(s)) will undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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USE OF PROCEEDS

The net proceeds from the Covered Bonds to be issued under the Programme will be used for general corporate purposes of the KBC Group. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Additionally, the Issuer may issue such Covered Bonds where the applicable Final Terms specify that the Issuer will apply an amount equivalent to the net proceeds from the offer of Covered Bonds exclusively for loans, assets, projects and activities of the Group that promote climate-friendly and other environmental or sustainable purposes (Green Bond Eligible Assets), in accordance with the Issuer's Green Bond Framework (such capitalised terms as defined in the section entitled "*Green Bonds*").

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GREEN BONDS

The Issuer may issue Covered Bonds under the Programme where the use of proceeds is specified in such Final Terms to be for the financing and/or refinancing of specified "green" or "sustainability" projects of the Group, in accordance with the Issuer's Green Bond Framework (as defined below).

Green Bond Framework

Introduction

In November 2023, the Group updated and published its existing framework for the issue of green bonds (the **Green Bond Framework**) under which KBC Group NV, the Issuer or any of its other subsidiaries can attract funding to finance and/or refinance "green" or "sustainable" projects with a positive environmental benefit, in accordance with certain prescribed eligibility criteria, through the issuance of bonds (any bonds issued by reference to the Green Bond Framework are referred to as **Green Bonds**).

The Issuer's Green Bond Framework is publicly available on the Issuer's website (https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html). The Issuer's Green Bond Framework is not incorporated by reference in, and does not form part of, this Base Prospectus.

The Green Bond Framework is in line with the ICMA Green Bond Principles (ICMA GBP), 2021 (with 2022 Annex). The Framework aims to gradually incorporate the criteria for environmentally sustainable economic activities, included in the EU Taxonomy Climate Delegated Act16 (June 2021) and intends to further align with these criteria when practically feasible. The Group intends to gradually further align the Green Bond Framework with emerging good practices, such as criteria of the European Green Bond Standard and other relevant forthcoming regulatory requirements and guidelines.

This section contains a short summary of the Green Bond Framework as at the date of the Base Prospectus. Prospective investors should take note that the Green Bond Framework may be amended, supplemented or replaced from time to time. This summary does not replace, and must be read in conjunction with, the Issuer's Green Bond Framework.

For all Green Bonds, (i) the use of proceeds, (ii) the process for project evaluation and selection, (iii) the management of the net proceeds, (iv) the reporting on allocation and impact and (v) the external review will be carried out in accordance with the Green Bond Framework.

Use of proceeds

An amount equivalent to the net proceeds of Green Bond issuances is exclusively used to finance and/or refinance, in whole or in part, projects and activities falling within the following categories: 1) Energy Efficient Buildings, 2) Renewable Energy, 3) Clean Transportation (the **Use of Proceeds Categories**).

To qualify as eligible assets (the **Green Bond Eligible Assets**), the selected loans are required to meet the following eligibility criteria:

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16 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an
economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

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1. Energy Efficient Buildings	
	• Mortgage loans and commercial loans to (re)finance new and existent residential buildings smaller than 5.000m2, in Belgium which meet the following criteria: o Buildings built after 31/12/2020 with Primary Energy Demand (PED) at least 10% lower than the threshold set in the national nearly zero-energy building (NZEB) requirements. o Buildings built before 31/12/2020 that have at least an
2. Renewable Energy	
Renewable energy power generation	• Loans to (re)finance equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources in the EU and the UK: o Onshore and offshore wind energy o Solar energy
3. Clean Transportation	
Low carbon land transport	• (Re)financing of the purchase, renting, leasing and operation of zero-emission vehicles in Belgium: o Fully electric, hydrogen or other non-fossil fuel based vehicles for the transportation of passengers

The allocation of the proceeds of the Green Bonds to the underlying Green Bond Eligible Assets may not meet all investors' expectations and in particular, may not be aligned with future guidelines and/or regulatory or legislative criteria regarding sustainability performance.

Process for project evaluation and selection

Upon submission of projects by the business units, the Green and Social Bond Committee, comprised of representatives including at least one general manager from Group Treasury, Corporate Sustainability and representatives from the business units (in scope of Green Bond Eligible Assets), will verify the compliance of the projects with the Use of Proceeds requirements and select projects as Green Bond Eligible Assets. The Green Bond Eligible Assets are furthermore evaluated by an assessment against the Group's sustainability policies and the standards of the KBC Group Sustainability Framework[17], where applicable.

The Green and Social Bond Committee will document the assessment process with the view to demonstrate to an independent auditor that funded loans meet the applicable eligibility criteria.

Management of proceeds

The net proceeds of the Green Bonds will be managed by the Treasury team of the Issuer on a portfolio basis. As long as any Green Bonds are outstanding, it is intended to exclusively allocate an amount

[17] The KBC Group Sustainability Framework is not incorporated by reference into and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

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equivalent to the net proceeds of the Green Bond Portfolio or Green Bond Eligible Assets in line with the above mentioned eligibility criteria and evaluation and selection process. The Issuer will label all allocated Green Bond Eligible Assets in its internal information systems and will monitor these allocations at least on an annual basis. If an asset no longer meets the eligibility criteria, the Issuer will remove the loan from the Green Bond portfolio and will strive to replace it with a Green Bond Eligible Asset as soon as possible, subject to availability.

Pending the full allocation of the proceeds to Green Bond Eligible Assets, or in case insufficient Green Bond Eligible Assets are available, the Issuer commits to hold the balance of net proceeds not allocated to Green Bond Eligible Assets within the treasury of the Group, invested in money market products, cash and/or cash equivalent.

Reporting

The Issuer intends to publicly report on the allocation and the non-financial impact of the Green Bond Eligible Assets included in its Green Bond Portfolio on portfolio level, at least on an annual basis. More specifically, the Issuer intends to report, on an annual basis on (i) the total amount of proceeds allocated to Green Bond Eligible Assets, (ii) the amounts allocated to Green Bond Eligible Assets per Use of Proceeds Category, (iii) the origination timeframe and maturity profile of the loans per Use of Proceeds Category, (iv) the amount of unallocated proceeds and (v) the share of financing versus refinancing. The Issuer also aims to report on the impact of the Green Bond Eligible Assets by category from a sustainable and environmental perspective.

The available reports will be published on the Issuer's website (https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html).

Any reports made available on the Issuer's website do not form part of, and are not incorporated by reference into, this Base Prospectus.

External review

The Issuer has commissioned Sustainalytics to provide a second party opinion for its Green Bond Framework. Sustainalytics has reviewed KBC Green Bond Framework and issued a second party opinion (the **Second Party Opinion**) confirming the alignment of it with the ICMA GBP, 2021. The Green Bond Framework Opinion does not assess or confirm compliance of the Green Bonds and the use of proceeds with the criteria and procedures set out in the Green Bond Framework. The Second Party Opinion is available on the Issuer's website (https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html) and is not incorporated in and does not form part of this Base Prospectus and may be, amended, updated, expanded or replaced from time to time.

The Issuer also intends to appoint one or more external parties to provide a post-issuance verification on the green bonds issued. The post-issuance verification verifies the relevant allocation report when net proceeds from an issuance of green bonds have been allocated in full towards Green Bond Eligible Assets. The post-issuance verification is intended to become available on KBC's Investor Relations website.

The Issuer will request on an annual basis a post-issuance verification, starting one year after issuance and until maturity, in the form of a limited assurance report of the allocation of the Green Bond proceeds to Green Bond Eligible Assets, provided by a reputable external auditor.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion or the limited assurance report, or any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bonds, and in particular as to whether any Green Bond Eligible Assets fulfil any environmental or other criteria. Any such opinion, report or certification is not nor should be deemed to be, a recommendation by the Issuer, the Dealers, or any other person to buy, sell or hold any Green

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Bonds. As a result, neither the Issuer nor the Dealers will be, or shall be deemed, liable for any issue in connection with its content. For the avoidance of doubt, this is without prejudice to the responsibility of the Issuer for the information contained in this Base Prospectus and the Final Terms for each Tranche of Covered Bonds, as set out in the section "*Responsibility Statement*".

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TAXATION OF THE COVERED BONDS IN BELGIUM

The following summary describes the principal Belgian tax considerations of acquiring, holding and selling the Covered Bonds. This information is of a general nature based on the Issuer's understanding of current law and practice and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Covered Bonds. In some cases, different rules can be applicable. In particular, investors should take into account that the tax laws of the investor's EU Member State and of the issuer's EU Member State of incorporation might have an impact on the income received from the Covered Bonds. This summary does not describe the tax consequences for a holder of Covered Bonds that are redeemable in exchange for, or convertible into assets, of the exercise, settlement or redemption of such Covered Bonds or any tax consequences after the moment of exercise, settlement or redemption. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Base Prospectus, all of which can be amended in the future, possibly implemented with retroactive effect. Furthermore, the interpretation of the tax rules may change. Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

Each prospective holder of Covered Bonds should consult a professional adviser with respect to the tax consequences of an investment in the Covered Bonds, taking into account their own particular circumstances and the influence of each regional, local or national law.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (that is, an individual who is domiciled in Belgium and/or has his/her seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (that is, a corporate entity that has its main establishment, its administrative seat or seat of management in Belgium taking into account that a company having its statutory seat in Belgium is presumed, subject to evidence to the contrary, to have its main establishment, its administrative seat or seat of management in Belgium and counterproof is only accepted if it is also demonstrated that the company has its tax residence in another state according to the tax legislation of that other state), an Organisation for Financing of Pensions subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organisation for Financing of Pensions), or a legal entity subject to Belgian income tax on legal entities (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment, its administrative seat or seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

General

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) if the Covered Bonds qualify as "fixed income securities" (in the meaning of Article 2, §1, 8° of the Belgian Income Tax Code of 1992), in case of a realisation of the Covered Bonds between interest payment dates, the pro rata of accrued interest corresponding to the detention period. "Fixed income securities" are defined as bonds, specific debt certificates issued by banks (*kasbon/bon de caisse*) and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

The interest component of payments on the Covered Bonds made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax, currently at a rate of 30% on the gross amount of such interest. Both Belgian domestic tax law and applicable tax treaties may provide for a lower or zero rate subject to certain conditions.

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Belgian interest withholding tax exemption for certain holders of Dematerialised Covered Bonds (X/N securities settlement system of the NBB)

The holding of the Dematerialised Covered Bonds in the X/N securities settlement system of the NBB (the **Securities Settlement System**) permits investors to collect interest on their Dematerialised Covered Bonds free of Belgian withholding tax if and as long as at the moment of payment or attribution of interest the Dematerialised Covered Bonds are held by certain investors (the **Eligible Investors**, see below) in an exempt securities account (**X-account**) that has been opened with a financial institution that is a direct or indirect participant (a **Participant**) in the Securities Settlement System of the NBB. Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, Euroclear Bank, Euroclear France, Euronext Securities Milan, Euronext Securities Porto, LuxCSD, IBERCLEAR, OeKB, SIX SIS and any other NBB investor (I)CSDs are directly or indirectly Participants for this purpose.

Holding the Dematerialised Covered Bonds through the Securities Settlement System enables Eligible Investors to receive the gross interest income on their Dematerialised Covered Bonds and to transfer the Dematerialised Covered Bonds on a gross basis.

Participants to the Securities Settlement System must keep the Dematerialised Covered Bonds which they hold on behalf of Eligible Investors on an X-account, and those which they hold on behalf of non-Eligible Investors in a non-exempt securities account (**N-account**). Payments of interest made through X-accounts are free of withholding tax; payments of interest made through N-accounts are subject to withholding tax, currently at a rate of 30%, which is withheld by the NBB from the interest payment and paid by the NBB to the tax authorities.

Eligible Investors are those entities referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*), which includes *inter alia*:

(a) Belgian resident companies referred to in Article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*Wetboek van de inkomstenbelastingen 1992/Code des impôts sur les revenus 1992*) (**BITC**);

(b) without prejudice to Article 262, 1° and 5° of the BITC, the institutions, associations or companies referred to in Article 2, §3 of the law of 9 July 1975 with respect to the control of insurance companies other than those referred to in (a) and (c);

(c) semi-governmental institutions (*parastatalen/institutions parastatales*) for social security or institutions assimilated therewith referred to in Article 105, 2° of the Belgian Royal Decree of 27 August 1993 implementing the BITC (*Koninklijk besluit tot uitvoering van het Wetboek van de inkomstenbelastingen 1992/Arrêté royal d'exécution du Code des impôts sur les revenus 1992*) (**RD/BITC**);

(d) non-resident savers referred to in Article 105, 5° of the RD/BITC whose holding of the Dematerialised Covered Bonds is not connected to a professional activity in Belgium;

(e) investment funds referred to in Article 115 of the RD/BITC;

(f) investors referred to in Article 227, 2° of the BITC that are subject to non-resident income tax (*belasting van niet inwoners/impôt des non-résidents*) in accordance with Article 233 of the BITC and which have used the Covered Bonds for the exercise of their professional activities in Belgium;

(g) the Belgian State, in respect of investments which are exempt from withholding tax in accordance with Article 265 of the BITC;

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(h) investment funds governed by foreign law (such as *beleggingsfondsen/fonds de placement*) that are an undivided estate managed by a management company for the account of the participants, provided the funds' units are not publicly issued in Belgium nor traded in Belgium; and

(i) Belgian resident companies, not referred to under (a), whose activity exclusively or principally exists of granting credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident individuals and Belgian non-profit organisations, other than those mentioned under (b) and (c) above.

Transfers of Dematerialised Covered Bonds between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax:

(i) a transfer from an N-account (to an X-account or N-account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the date of issuance or from the last interest payment date up to the transfer date;

(ii) a transfer from an X-account (or N-account) to an N-account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the date of issuance or from the last interest payment date up to the transfer date; and

(iii) transfers of Dematerialised Covered Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax.

When opening an X-account for the holding of Dematerialised Covered Bonds, an Eligible Investor will be required to certify its eligible status on a standard form approved by the Belgian Minister of Finance and send it to the Participant to the Securities Settlement System where this account is kept. This statement needs not be periodically reissued (although Eligible Investors must update their certification should their eligible status change). Participants to the Securities Settlement System are however required to annually make declarations to the NBB as to the eligible status of each investor for whom they hold Dematerialised Covered Bonds in an X-account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary (an **Intermediary**) in respect of Dematerialised Covered Bonds that the Intermediary holds for the account of its clients (the **Beneficial Owners**), provided that each Beneficial Owner is an Eligible Investor. In such case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Dematerialised Covered Bonds through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to central securities depositaries, as defined by Article 2, §1, 1) of Regulation (EU) n° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositaries and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, acting as Participants to the Securities Settlement System provided that (i) they only hold X-accounts, (ii) they are able to identify the holders for whom they hold Dematerialised Covered Bonds in such account and (iii) the contractual rules agreed upon by these central securities depositaries acting as Participants include the contractual undertaking that their clients-account owners are all Eligible Investors.

Hence, these identification requirements do not apply to Dematerialised Covered Bonds held in Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, Euroclear Bank, Euroclear France, Euronext Securities Milan, Euronext Securities Porto, LuxCSD, IBERCLEAR, OeKB, SIX SIS or any other central securities depository as Participants to the Securities Settlement System, provided that (i)

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Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, Euroclear Bank, Euroclear France, Euronext Securities Milan, Euronext Securities Porto, LuxCSD, IBERCLEAR, OeKB, SIX SIS, only hold X-Accounts, (ii) they are able to identify the holders for whom they hold Dematerialised Covered Bonds in such account and (iii) the contractual rules agreed upon by these central securities depositaries include the contractual undertaking that their clients-account owners are all Eligible Investors.

Belgian interest withholding tax exemption for certain holders of Registered Covered Bonds

Payments of interest and principal by the Issuer under the Registered Covered Bonds (other than Zero Coupon Covered Bonds and other Registered Covered Bonds which provide for the capitalisation of interest) may be made without deduction of withholding tax if the following conditions provided for in either Articles 107, §2, 5°, b) and 118, §1, 1° of the RD/BITC or in Articles 107, §2, 8° and 118, §1, 2° and 3° of the RD/BITC, are cumulatively met:

(a) the Registered Covered Bonds are registered in the name of the holder of the Registered Covered Bonds with the Issuer during the entire relevant interest period;

(b) the holder of the Registered Covered Bonds is the legal owner (*eigenaar/propriétaire*) or usufructuary (*vruchtgebruiker/usufruitier*) of the Registered Covered Bonds during the entire relevant interest period;

(c) the holder of the Registered Covered Bonds is either, (i) not resident for tax purposes in Belgium and does not use the income producing assets (i.e. the Registered Covered Bonds) to exercise a business or professional activity in Belgium, or (ii) a financial institution or institution which is assimilated therewith, provided for in Article 105, 1º of the RD/BITC, or (iii) a semi-governmental institution (*parastatale instelling/institution parastatale*) for social security, or institution which is assimilated therewith, provided for in Article 105, 2º of the RD/BITC; and

(d) upon each interest payment, the holder of the Registered Covered Bonds must provide the Issuer with an affidavit in which it is certified that the conditions mentioned in points (b) and (c) are complied with.

Each holder of Registered Covered Bonds that wishes to receive interest on the Registered Covered Bonds without deduction of Belgian withholding tax pursuant to Article 107, §2, 5°, b) or Article 107, §2, 8° of the RD/BITC must deliver to the Issuer the validly executed affidavit mentioned under (d) above. Each such holder further undertakes to inform the Issuer about any change that could affect the correctness of the affidavit. The Issuer shall be entitled to conclusively rely on the affidavit, it being understood that by signing and returning such affidavit, such holder of the Registered Covered Bonds shall have attested to the accuracy of the information set forth therein.

Belgian income tax and capital gains

Belgian resident companies

Corporate Covered Bondholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*) are subject to the following tax treatment in Belgium with respect to the Covered Bonds.

Interest derived by Belgian corporate investors on the Covered Bonds and capital gains realised on the Covered Bonds are taxable at the ordinary corporate income tax rate of 25%. Subject to certain conditions, a reduced corporate income tax rate of 20% applies for qualifying "small" enterprises (as defined by Article 1:24, §1 to §6 of the Belgian Code of Companies and Associations, as amended from time to time) on the first tranche of EUR 100,000 of taxable profits.

Any Belgian interest withholding tax retained will generally, subject to certain conditions, be creditable against any corporate income tax due and the excess amount will normally be refundable. Capital losses

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realised upon the transfer of the Covered Bonds are in principle tax deductible. Other tax rules apply to investment companies within the meaning of Article 185*bis* of the BITC.

Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax (*rechtspersonenbelasting/impôt des personnes morales*) which do not qualify as Eligible Investors (as defined under the section entitled "*General"* above) and/or which do not hold the Covered Bonds through an X-account in the Securities Settlement System are subject to a withholding tax of 30% on any interest payments received under the Covered Bonds. Such withholding tax then generally constitutes the final taxation in the hands of the relevant beneficiaries.

Belgian legal entities which qualify as Eligible Investors (as defined under the section entitled "*General"* above) and which hold the Covered Bonds through an X-account in the Securities Settlement System, and which consequently have received gross interest income on the Covered Bonds are required to report and to pay the 30% withholding tax to the Belgian tax authorities themselves (which withholding tax then generally also constitutes the final taxation in the hands of the relevant beneficiaries).

Under current law, capital gains realised on the transfer of the Covered Bonds are in principle tax exempt, unless and to the extent the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

However, under the new Belgian federal government agreement (2025), capital gains realized by legal entities subject to the legal entities tax on the sale of any financial asset on or after 1 January 2026 will also be taxed at a rate of 10%. It is highly likely that this new measure (yet to be introduced in Belgian tax legislation) will apply to capital gains realised on sales of the Covered Bonds.

Organisation for Financing of Pensions

Interest and capital gains derived from Covered Bonds by Organisations for Financing of Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision are in principle not subject to Belgian corporate income tax. Capital losses are in principle not tax deductible.

Subject to certain conditions, any Belgian withholding tax that has been levied on interest income received by an Organisation for Financing of Pensions can be credited against any corporate income tax due by it, and any excess amount is in principle refundable.

Belgian non-residents

Dematerialised Covered Bonds

Covered Bondholders who are non-residents of Belgium for Belgian tax purposes and are not holding the Dematerialised Covered Bonds through a Belgian establishment, do not invest the Dematerialised Covered Bonds in the course of their Belgian professional activity and do not carry out any other activities in Belgium that exceed the normal management of one's private estate will not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership or disposal of the Dematerialised Covered Bonds, provided that they qualify as Eligible Investors and hold their Covered Bonds in an X-account.

If the Dematerialised Covered Bonds are not entered into an X-account by the Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 30%, possibly reduced pursuant to a tax treaty, on the gross amount of the interest.

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Registered Covered Bonds

Covered Bondholders who are non-residents of Belgium for Belgian tax purposes and are not holding the Registered Covered Bonds through a Belgian establishment, do not invest the Registered Covered Bonds in the course of their Belgian professional activity and do not carry out any other activities in Belgium that exceed the normal management of one's private estate will not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership or disposal of the Registered Covered Bonds, save, as the case may be, in the form of withholding tax, except where the four conditions for exemption from withholding tax on interest from Registered Covered Bonds are met (see the section entitled "*General*" above).

Pursuant to the Law of 16 December 2015 implementing into Belgian national law the provisions of the Directive 2014/107/EU on administrative cooperation in direct taxation (see the section entitled "*Exchange of Information – Common Reporting Standard (CRS)*" below), Belgian financial institutions are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities with fiscal residence in another CRS country.

In addition to the aforementioned Belgian withholding tax of in principle 30%, profits derived from the Covered Bonds may therefore be subject to a system of automatic exchange of information between the relevant tax authorities.

Exchange of Information – Common Reporting Standard (CRS)

The exchange of information is governed by the Common Reporting Standard (**CRS**). As of 13 March 2025, 126 jurisdictions have signed the MCAA, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

Currently, more than 100 jurisdictions exchange information under the MCAA.

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

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (**DAC2**), which provides for mandatory automatic exchange of financial information between EU Member States as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The Belgian legislator has implemented DAC2, respectively the CRS, per the Law of 16 December 2015.

The Covered Bonds are subject to CRS. Therefore, Belgian financial institutions holding Covered Bonds for tax residents in another CRS contracting state shall report financial information regarding the Covered Bonds (income, gross proceeds, etc.) to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

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

Tax on stock exchange transactions

A tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) is due on the purchase and sale (and any other transaction for consideration) of the Covered Bonds on a secondary market if such transaction is either (i) concluded or carried out in Belgium through a professional intermediary, or (ii) deemed to be carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence (*gewone verblijfplaats/résidence habituelle*) in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a "Belgian Investor").

The rate applicable for secondary market sales and purchases of Covered Bonds in Belgium through a professional intermediary is 0.12%. with a maximum amount of EUR 1,300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The acquisition of Covered Bonds upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

If the intermediary is established outside of Belgium, the tax on stock exchange transactions is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*borderel/bordereau*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (the **Stock Exchange Tax Representative**). Such Stock Exchange Tax Representative will then be liable towards the Belgian Treasury for the tax on stock exchange transactions due and for complying with the reporting obligations and the obligations relating to the order statements in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

However, the tax on stock exchange transactions is not payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the Code of miscellaneous taxes and duties (*Wetboek diverse rechten en taksen/Code des droits et taxes divers*).

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (**FTT**). The Draft Directive currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished if and once the FTT enters into force. The Draft Directive is still subject to negotiation between the participating Member States and therefore may be changed at any time. The Draft Directive is further described below (see the section entitled "*Financial Transaction Tax (FTT)*" below).

Financial Transaction Tax (FTT)

The European Commission has published on 14 February 2013 a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and the

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Slovak Republic (the **participating Member States**). On 8 December 2015, Estonia however expressed its intention not to introduce the FTT.

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

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The rates of the FTT shall be fixed by each participating Member State but for transactions involving financial instruments other than derivatives the rates shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a participating Member State if it is either a party to the financial transaction, or acting in the name of a party to the transaction or if the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, may become jointly and severally liable for the payment of the FTT due.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. The proposed FTT may still be abandoned or repealed. Additional EU Member States may decide to participate.

The Portuguese Presidency of the Council of the EU proposed in 2021 a gradual, inclusive approach for the FTT debate and decided to relaunch discussions on the FTT between all Member States of the EU. This in order to implement an EU-wide FTT. No specific legislative proposals have come forward from this so far.

In June 2023, the Commission stated that the prospects of reaching an agreement on the FTT in the future were limited adding there was little expectation that any proposal would be agreed in the short term.

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

Annual tax on securities accounts

Following the Law of 17 February 2021, an annual tax on securities accounts was introduced (the **Annual Tax on Securities Accounts**). The Annual Tax on Securities Accounts is levied on securities accounts of which the average value during the reference period (i.e. for calendar year 2021 beginning on 26 February 2021 and ending on 30 September 2021 and thereafter the period of twelve consecutive months beginning on 1 October and ending, in principle, on 30 September of the next year), exceeds EUR 1,000,000. The Annual Tax on Securities Accounts is applicable to securities accounts that are held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held with a financial intermediary in Belgium or abroad. The Annual Tax on Securities Accounts also applies to securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary in Belgium. However, the Annual Tax on Securities Accounts is not levied on

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securities accounts held by specific types of regulated entities in the context of their own professional activity and for their own account.

As the case may be, the Annual Tax on Securities Accounts may also apply to securities accounts on which Dematerialized Covered Bonds are held if the average value during the reference period exceeds EUR 1,000,000. The Registered Covered Bonds should, however, be exempt from the Annual Tax on Securities Accounts, as the Registered Covered Bonds are only registered in a register maintained by the Registrar in accordance with the Belgian Code of Companies and Associations.

The applicable tax rate is equal to the lowest amount of either 0.15% of the average value of the financial instruments held on the account or 10% of the difference between the average value of the financial instruments held on the account and EUR 1,000,000. The tax base is the sum of the values of the taxable financial instruments at the different reference points in time (i.e. 31 December, 31 March, 30 June and 30 September) divided by the number of those reference points in time.

The Annual Tax on Securities Accounts needs to be withheld, declared and paid by the Belgian intermediary. Intermediaries not established or set up in Belgium have the possibility, when managing a securities account subject to the tax, to appoint a representative in Belgium approved by or on behalf of the Minister of Finance (the **Annual Tax on Securities Accounts Representative**). The Annual Tax on Securities Accounts Representative is jointly and severally liable vis-à-vis the Belgian Treasury to declare and pay the tax and to fulfil all other obligations for intermediaries related to the Annual Tax on Securities Accounts, such as compliance with certain reporting obligations. In cases where no intermediary has withheld, declared and paid the Annual Tax on Securities Accounts, the holder of the securities account needs to declare and pay the tax himself, unless he can prove that the tax has already been withheld, declared and paid by either a Belgian intermediary or an Annual Tax on Securities Accounts Representative of a foreign intermediary.

A specific retroactive anti-abuse provision applying as from 30 October 2020 was also introduced, targeting (i) the splitting of a securities account into multiple accounts held with the same financial intermediary and (ii) the conversion of taxable financial instruments into registered financial instruments. This specific anti-abuse provision, as well as the retroactive date of application of the general anti-abuse provision in respect of the Annual Tax on Securities Accounts were, however, annulled by the Belgian Constitutional Court in its decision n°138/2022 of 27 October 2022, while the other provisions of the Law of 17 February 2021 remain intact, taking effect from 26 February 2021.

Investors should consult their own tax advisers in relation to the Annual Tax on Securities Accounts.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Covered Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Covered Bonds characterised

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as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Covered Bonds (as described under "*Terms and Conditions of the Covered Bonds—Further Issues*") that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Covered Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding.

FATCA is particularly complex. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Covered Bonds.

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SUBSCRIPTION AND SALE[18]

Dealer Programme Agreement

In the Dealer Programme Agreement, the Dealer has agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Covered Bonds. Any such agreement will extend to those matters stated under *Form of the Covered Bonds* and *Terms and Conditions of the Covered Bonds* above. In the Dealer Programme Agreement, the Issuer has agreed to reimburse the Dealer(s) for certain of their expenses in connection with the establishment of the Programme and the issue of Covered Bonds under the Programme and to indemnify the Dealer(s) against certain liabilities incurred by them in connection therewith.

Selling Restrictions

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive.

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

Neither the Issuer nor any Dealer represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and, that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws, regulations and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, and neither the Issuer nor any Dealer shall have any responsibility therefor.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

[18] Subject to ongoing review by foreign jurisdictions

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(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

Prohibition of Sales to Consumers in Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and it will not offer or sell the Covered Bonds to, any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) in Belgium.

United States

The Covered Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act and that would not result in the Issuer or the Special Estate becoming subject to registration under the Investment Company Act of 1940, as amended, or to regulation under the Commodity Exchange Act, as amended. The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Covered Bonds, (a) as part of their distribution at any time, or (b) otherwise until 40 days after the completion of the distribution as determined and certified by the relevant Dealer or, in the case of an issue of Covered Bonds on a syndicated basis, the relevant lead manager, of all Covered Bonds of the Tranche of which such Covered Bonds are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree that it will send to each dealer to which it sells any Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act, as amended.

Until 40 days after the commencement of the offering of any Series of Covered Bonds, an offer or sale of such Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Fixed Rate Covered Bonds or Floating Rate Covered Bonds shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer or Dealers may agree as a term of the issuance and purchase of such Covered Bonds, which additional selling restrictions shall be set out in the applicable Final Terms.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purpose of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

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(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**);

(ii) a customer within the meaning of the provisions of the UK Financial Services and Markets Act 2000 (as amended, the **UK FSMA**) and any rules or regulations made under the UK FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

Other regulatory restrictions

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

(a) in relation to any Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of Section 19 of the UK FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the UK FSMA would not, if it was not an authorised person, apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the UK Financial Services and Markets Act 2000 (as amended) with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan, as amended (Act No 25 of 1948; the **Financial Instruments and Exchange Act**) and the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold and will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

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Hong Kong

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Covered Bonds (except for Covered Bonds which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the **SFO**) other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the SFO and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **CWUMPO**) or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Covered Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be

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transferred within six months after that corporation or that trust has acquired the Covered Bonds pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Korea

The Covered Bonds have not been and will not be registered under the Financial Investment Services and Capital Markets Act and its subordinate decrees and regulations (collectively, the **FSCMA**). Accordingly, the Dealer has represented and agreed, and each new Dealer further appointed under the Programme will be required to represent and agree, on a several and not joint basis, that it has not offered, sold or delivered, and will not offer, sell or deliver, the Covered Bonds, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law and its subordinate decrees and regulations, as amended (collectively, **FETL**)) or to others for reoffering or resale, directly or indirectly in Korea or to or for the account or benefit of any Korean resident, except as otherwise permitted under applicable Korean laws and regulations, including the FSCMA, the FETL and the decrees and regulations thereunder, such as the Regulation on Issuance, Public Disclosure, Etc. of Securities of Korea, pursuant to which, within one year following the issuance of the Covered Bonds, the Covered Bonds may not be transferred to any Korean resident other than a qualified institutional buyer (or a **Korean QIB**, as defined in the regulation on Issuance, Public Disclosure, Etc. of Securities of Korea) registered with the Korea Financial Investment Association as a Korean QIB, provided that the amount of the Covered Bonds acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Covered Bonds.

People's Republic of China

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Base Prospectus may not be circulated or distributed in the People's Republic of China (**PRC**) (for the purpose of this Base Prospectus, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan), and it has not offered or sold and will not offer or sell any of the Covered Bonds in the PRC, or to residents of the PRC directly or indirectly unless such offer or sale is made in compliance with all applicable laws and regulations of the PRC.

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INFORMATION RELATING TO THIS BASE PROSPECTUS

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference and form part of this Base Prospectus:

The Issuer's annual report for the financial year ended 31 December 2024 (FY 2024)[19] and the Issuer's annual report for the financial year ended 31 December 2023 (FY 2023)[20], which includes the following information (without limitation):

	FY 2024	FY 2023
Report of the Board of Directors		
Group profile	p. 6 – 24	p. 6 – 31
Review of the consolidated financial statements	p. 25 – 28	p. 32 – 35
Review of the business units	p. 28 – 33	p. 36 – 41
Risk management	p. 34 – 60	p. 42 – 72
Capital adequacy	p. 61 – 64	p. 73 – 76
Corporate governance statement	p. 65 – 70	p. 77 – 84
Consolidated financial statements (IFRS)		
Consolidated income statement	p. 159	p. 86
Consolidated statement of comprehensive income	p. 160 – 161	p. 87 – 88
Consolidated balance sheet	p. 162	p. 89
Consolidated statement of changes in equity	p. 163 – 164	p. 90 – 91
Consolidated cashflow statement	p. 165 – 166	p. 92 – 93
Explanatory notes on the accounting policies, segment reporting, income statement, financial assets and liabilities on the balance sheet, other balance sheet items, and other notes	p. 167 – 240	p. 94 – 168
Statutory auditor's report on the consolidated accounts	p. 241 – 248	p. 169 – 175
Non-consolidated statutory annual accounts (Belgian GAAP)		
Balance sheet after profit appropriation	p. 253 – 255	p. 180 – 182
Income statement	p. 256 – 257	p. 183 – 184
Appropriation account	p. 258	p. 185
Explanatory notes	p. 259 – 326	p. 186 – 254
Social balance sheet	p. 327 – 329	p. 255 – 257
Statutory auditor's report on the non-consolidated statutory annual accounts	p. 242 – 248	p. 270 – 276
Ratios used	p. 372 – 374	p. 287 – 289

[19] https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/Results/jvs-2024/jvs-2024-bank-en.pdf.cdn.res/last-modified/1743056005625/jvs-2024-bank-en.pdf

[20] https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2023/jvs-2023-bnk-en.pdf

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Page references are to the English language PDF version of the relevant documents incorporated by reference.

The terms and conditions that apply to previously issued Series of Covered Bonds as included in the previous base prospectuses relating to the Programme:

Page 108 – 140 of the Issuer's base prospectus relating to the Programme dated 15 November 2017[21].

Page 104 – 138 of the Issuer's base prospectus relating to the Programme dated 27 November 2018[22].

Page 99 – 135 of the Issuer's base prospectus relating to the Programme dated 12 November 2019[23].

Page 102 – 138 of the Issuer's base prospectus relating to the Programme dated 27 October 2020[24].

Page 98 – 133 of the Issuer's base prospectus relating to the Programme dated 9 November 2021[25].

Page 110 – 146 of the Issuer's base prospectus relating to the Programme dated 12 July 2022[26].

Page 114 – 149 of the Issuer's base prospectus relating to the Programme dated 4 July 2023[27].

Page 115 – 152 of the Issuer's base prospectus relating to the Programme dated 2 July 2024[28].

For the avoidance of doubt, no other part of the Issuer's base prospectuses relating to the Programme dated 15 November 2017, 27 November 2018, 12 November 2019, 27 October 2020, 9 November 2021, 12 July 2022,4 July 2023 and 2 July 2024 is incorporated by reference into this Base Prospectus. The terms and conditions of such previous base prospectuses are solely incorporated for purposes of allowing the Issuer to issue further Tranches of Series of Covered Bonds that have been previously issued, and that will be fungible with such previously issued Tranches, as set out in the "*Form of Final Terms*" on page 175.

The Issuer's press release dated 15 May 2025 on the acquisition of 365.bank[29].

The Issuer reached an agreement for KBC Bank Group to acquire a 98.45% stake in 365.bank (in cash), a commercial bank in Slovakia. This acquisition would strengthen the position of KBC Bank Group in

[21] https://www.kbc.com/en/system/files/doc/investor-relations/7-Debt-issuance/KBC_Bank/20171117_KBC_CB_Base_Prospectus_Nov17.pdf.

[22] https://www.kbc.com/en/system/files/doc/investor-relations/7-Debt-issuance/KBC_Bank/20181127_Bank_Covered_Bonds_Base_Prospectus_2018.pdf.

[23] https://www.kbc.com/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/KBC_Bank/20191118_CovBond_Prospectus_2019.pdf.

[24] https://www.kbc.com/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/KBC_Bank/20201028-covbond-2020-base.pdf

[25] https://www.kbc.com/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/KBC_Bank/20211116-covbond-2021-update.pdf

[26] https://www.kbc.com/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/KBC_Bank/20220712-covbond-2022-base.pdf

[27] https://www.kbc.com/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/KBC_Bank/20230705-covbond-2023-base.pdf

[28] https://wcmassets.kbc.be/content/dam/kbccom/doc/investor-relations/7-Debt-issuance/KBC_Bank/20240704-covbond-2024-base.pdf.cdn.res/last-modified/1720079362071/20240704-covbond-2024-base.pdf

[29] https://www.kbc.com/content/dam/kbccom/doc/newsroom/pressreleases/2025/20250515-365-bank-sk-en.pdf?zone=

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Slovakia ensuring KBC Bank Group's reference status across all Central and Eastern European countries.

See "*Where more information can be found*" on page 221 below for information on where copies of the documents containing the information incorporated by reference can be obtained.

The documents incorporated by reference into this Base Prospectus may contain further references or hyperlinks to other documents or websites. Such further references or hyperlinks are not incorporated by reference and do not form part of this Base Prospectus, and have not been scrutinised or approved by the FSMA. In case there is only reference to certain parts of a document in the above mentioned documents, the non-incorporated parts, to the extent they are not explained elsewhere in the Base Prospectus, are not relevant for investors.

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SUPPLEMENTS TO THIS BASE PROSPECTUS

Obligation to publish a supplement

Every significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which may affect the assessment of the Covered Bonds and which arises or is noted between the time when this Base Prospectus is approved and the time when trading on a regulated market begins, whichever occurs later, shall be mentioned in a supplement to this Base Prospectus without undue delay, in accordance with Article 23 of the Prospectus Regulation.

The obligation to supplement this Base Prospectus shall no longer apply after the expiry of the validity period of this Base Prospectus as specified on the front cover of this Base Prospectus.

Where the supplement will be published

Following approval by the FSMA, the supplement shall be published in accordance with at least the same arrangements as were applied when this Base Prospectus was published. See "*Where more information can be found*" on page 221 below for information on where copies of any supplements can be obtained.

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WHERE MORE INFORMATION CAN BE FOUND

The website of the Issuer

The following documents and information can be obtained from the website https://www.kbc.com/en/investor-relations.html?zone=topnav for a period of ten years after their publication on that website:

1. This Base Prospectus.

2. All documents containing information incorporated by reference into this Base Prospectus as set out in "*Documents incorporated by reference*" on page 217 above.

3. Any supplements to this Base Prospectus published from time to time by the Issuer after approval by the FSMA, as set out in "*Supplements to this Base Prospectus*" on page 220 above (including any documents containing information that may be incorporated by reference into those supplements).

4. The Final Terms for each Tranche of Covered Bonds that is admitted to trading on a regulated market in the European Economic Area.

5. The up to date articles of association of the Issuer.[30]

6. The deed of incorporation of the Issuer.[31]

7. Investor Reports.[32]

A copy of the Representative Appointment Agreement may be requested at the e-mail address which will be specified on the Issuer's website (www.kbc.com).

The website of Euronext Brussels

The information referred to in paragraphs 1 to 5 above (as applicable) will also be published on the website of Euronext Brussels (www.euronext.com) in relation to Covered Bonds that are admitted to trading on the regulated market of Euronext Brussels. The information contained on the website of Euronext Brussels (www.euronext.com) does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

Copies of the Base Prospectus on a durable medium on request

Any potential investor in Covered Bonds admitted to trading on a regulated market in the European Economic Area, can request a copy of the Base Prospectus on a durable medium (including an electronic copy by e-mail or a copy printed on paper) to be delivered free of charge to that potential investor. Delivery shall be limited to jurisdictions in which the offer of the Covered Bonds to the public is made or where admission to trading on a regulated market is taking place. Such requests can be made by e-mail to IR4U@kbc.be.

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30 This document does not form part of this Base Prospectus, is not incorporated by reference and has not been scrutinised or approved by the FSMA.

31 This document does not form part of this Base Prospectus, is not incorporated by reference and has not been scrutinised or approved by the FSMA.

32 These documents do not form part of this Base Prospectus, are not incorporated by reference and have not been scrutinised or approved by the FSMA.

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Post-issuance information

In accordance with Article 15/1 of Annex III of the Banking Law and Article 12 of the Covered Bonds Royal Decree, the Issuer will publish monthly Investor Reports, which will contain information regarding the Covered Bonds and the Cover Assets in relation to the preceding monthly period, including *inter alia*:

- value of the Special Estate and the Covered Bonds;
- for each issuance, the ISIN of the Covered Bonds, currency, outstanding amount, issue date, Legal Maturity Date (or Extended Final Maturity Date, as the case may be), coupon characteristics and percentage;
- type of Cover Assets, geographical spread of security interests or, in case there are no security interest, of residence or seat of debtors;
- further details on the management of market risks, credit risks and liquidity risks;
- maturity matching between Cover Assets and Covered Bonds;
- the result of the Statutory Tests, including amounts of elements taken into account for the tests;
- composition of the Liquidity Buffer and description of the assets that make up the Liquidity Buffer;
- composition and details of the Cover Assets (including on the basis of currencies, interest rate characteristic, loan seasoning and residual maturity, outstanding amounts, early repayment, arears, LTV, loan-to-mortgage, type of real estate,…);
- percentage of receivables in arrears for more than 30 days (but not in default in accordance with Article 178 CRR).

Such reports will be available to the prospective investors in the Covered Bonds and to the Covered Bondholders on Bloomberg and on the website https://www.kbc.com/en/euro-10000000000-residential-mortgage-covered-bonds-programme-issued-kbc-bank-nv. This website and the information contained thereon does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA. The Investor Reports are not incorporated in and do not form part of this Base Prospectus and they have not been and will not be scrutinised or approved by the FSMA.

Other information

No person is or has been authorised to give any information or to make any representation other than those contained in the documents referred to in paragraphs 1 to 6 above in connection with the issue or sale of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger.

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RESPONSIBILITY STATEMENT

The Issuer

The Issuer is responsible for the information in this Base Prospectus and the Final Terms for each Tranche of Covered Bonds issued under the Programme. To the best of the Issuer's knowledge, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Third party information

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

The Dealers and the Arranger

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Covered Bonds. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase Covered Bonds. Each potential purchaser of Covered Bonds should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Covered Bonds of any information coming to the attention of any of the Dealers or the Arranger.

KBC Group NV

KBC Group NV nor any other member of the KBC Group (other than the Issuer) has approved or authorised this Base Prospectus, or accepts any responsibility in connection with this Base Prospectus. The Issuer is solely responsible for the information in this Base Prospectus relating to KBC Group NV as set out above.

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THE ISSUER

KBC Bank NV
Havenlaan 2
B-1080 Brussels, Belgium

ARRANGER AND DEALER

KBC Bank NV
Havenlaan 2
B-1080 Brussels, Belgium

PAYING AGENT

KBC Bank NV
Havenlaan 2
B-1080 Brussels, Belgium

REGISTRAR

KBC Bank NV
Havenlaan 2
B-1080 Brussels, Belgium

LISTING AGENT

KBC Bank NV
Havenlaan 2
B-1080 Brussels, Belgium

REPRESENTATIVE

Stichting KBC Residential Mortgage Covered Bonds Representative
Basisweg 10
1043 AP Amsterdam, The Netherlands

MANAGING DIRECTOR OF THE REPRESENTATIVE

Amsterdamsch Trustee's Kantoor B.V.
Basisweg 10
1043 AP Amsterdam, The Netherlands

COVER POOL MONITOR

EY Bedrijfsrevisoren BV

Kouterveldstraat 7B 001

Diegem 1831, Belgium

LEGAL ADVISER

To the Issuer as to Belgian law

Hogan Lovells International LLP
Rue Belliard 9
B-1040 Brussels, Belgium

STATUTORY AUDITOR

To the Issuer

KPMG Bedrijfsrevisoren BV
Luchthaven Brussel Nationaal 1 K
1930 Zaventem, Belgium