ARGENTA SPAARBANK SA/NV

incorporated with limited liability

EUR 3,000,000,000

Euro Medium Term Note Programme

Under the EUR 3,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), Argenta Spaarbank SA/NV ("**Argenta Spaarbank**", "**ASPA**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes that rank as senior obligations of the Issuer (the "**Senior Notes**") and Euro Medium Term Notes that rank as subordinated obligations of the Issuer (the "**Subordinated Notes**" and together with the Senior Notes, the "**Notes**"). The Senior Notes may be either senior preferred notes (the "**Senior Preferred Notes**") or senior non-preferred notes (the "**Senior Non-Preferred Notes**"). It is the intention of the Issuer that the Senior Non-Preferred Notes and, in certain circumstances, the Senior Preferred Notes shall, for supervisory purposes, be treated as MREL Eligible instruments (as defined below).

The aggregate principal amount of Notes outstanding will not at any time exceed EUR 3,000,000,000 (or the equivalent in other currencies).

This Base Prospectus (which expression shall include this Base Prospectus as amended and/or supplemented from time to time and all documents incorporated by reference herein) has been prepared for the purpose of providing disclosure information with regard to the Issuer and the Notes. This Base Prospectus has been approved as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended by Directive 2010/73/EU, on 18 January 2019 by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg law of 10 July 2005 (as amended by the Luxembourg law of 3 July 2012) relating to prospectuses for securities (the "**Luxembourg Law on Prospectuses**"). By approving this Base Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Law on Prospectuses. **The CSSF has neither reviewed nor approved the information contained in this Base Prospectus in relation to any issuance of any Notes that are not to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "Market") and for which a prospectus is not required in accordance with the Prospectus Directive.** In relation to any Notes, this Base Prospectus must be read as a whole and together with the relevant Final Terms (as defined below). Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described or incorporated by reference herein. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme for the period of twelve months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Market. References in this Base Prospectus to Notes being "listed" (and all related references), except where the context otherwise requires, shall mean that such Notes have been listed and admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast). No certainty can be given that the application for the listing of any Notes will be granted. Furthermore, admission of the Notes to the official list and trading on the Market is not an indication of the merits of the Issuer or the Notes. Unlisted Notes may also be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the official list and admitted to trading on the Market (or any other stock exchange).

The Notes issued will be in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code, and will be represented by a book entry in the records of the clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**Securities Settlement System**"). The Programme has been rated A- in respect of Senior Preferred Notes with a maturity of one year or more, BBB in respect of Senior Non-Preferred Notes and BBB- in respect of Subordinated Notes by S&P Global Ratings, acting through S&P Global Ratings Europe Limited, France Branch ("**Standard & Poor's**"). A rating in respect of Senior Preferred Notes with a maturity of less than one year will be obtained on a case by case basis at the time of issuance. Standard & Poor's is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with Regulation (EC) No.1060/2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011, as amended (the "**CRA Regulation**") published on the European Securities and Markets Authority ("**ESMA**")'s website (http://www.esma.europa.eu) (on or about the date of this Base Prospectus). Tranches of Notes (as defined in "Overview of the Programme") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

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

The Notes may not be a suitable investment for all investors. Accordingly prospective investors in the Notes should decide for themselves whether they want to invest in the Notes and, as the case may be, obtain advice from a financial intermediary in that respect, in which case the relevant intermediary will have to determine whether or not the Notes are a suitable investment for them.

This Base Prospectus shall be valid for a period of twelve months from its date of approval.

The issue price and amount of the relevant Notes will be determined at the time of the offering of each Tranche based on the then prevailing market conditions.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in the Base Prospectus. In particular, holders of Senior Notes and Subordinated Notes may lose their investment if the Issuer were to become non-viable or the Notes were to be written-down and/or connected or (in the case of the Senior Notes) bailed-in. This Base Prospectus does not describe all of the risks of an investment in the Notes.

Arranger
Morgan Stanley

Dealers
ABN AMRO Bank N.V.
BNP Paribas
Morgan Stanley

Base Prospectus dated 18 January 2019

IMPORTANT INFORMATION

GENERAL

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by the final terms ("**Final Terms**") in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer (as defined in "Overview of the Programme" below) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, 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 Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State. This Base Prospectus has been prepared on the basis of Annexes IX and XIII to Commission Regulation (EC) 809/2004.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated by reference into, and form part of, this Base Prospectus. This Base Prospectus should be read and construed together with any supplements hereto and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts 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 their behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

No person is or has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that

any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

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

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

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

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access to capital markets; (ii) market and interest rate fluctuations; (iii) the strength of global economy in general and the strength of the economies of the countries in which the Issuer conducts operations; (iv) the potential impact of sovereign risk, particularly in certain European Union countries which have recently come under market pressure; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the Issuer; (vii) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (viii) the possibility of the imposition of foreign exchange controls by government and monetary authorities; (ix) operational factors, such as systems failure, human error, or the failure to implement procedures properly; (x) actions taken by regulators with respect to the Issuer's business and practices in one or more of the countries in which the Issuer conducts operations; (xi) the adverse resolution of litigation and other contingencies; and (xii) the Issuer's success at managing the risks involved in the foregoing.

The foregoing list of important factors is not exclusive; when evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Base Prospectus.

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

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

The distribution of this Base Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Dealers or the Arranger represent that this Base Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Arranger which is intended to permit a public offering of the Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other

offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Base Prospectus or the Notes may come are required by the Issuer, the Dealers and the Arranger to inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of the Notes. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale*".

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

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

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant financial markets; and

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

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

Neither this Base Prospectus nor any other information supplied in connection with the issue of Notes constitutes an offer of, or an invitation by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Notes may only be held by, and may only be transferred to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax ("**Eligible Investors**") holding their Notes in an exempt account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the NBB.

Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). 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 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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

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

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

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

Amounts payable under the Floating Rate Notes or the Resettable Notes (as the case may be) may be calculated by reference to EURIBOR or LIBOR, as specified in the relevant Final Terms (or such other benchmark as may be specified in the relevant Final Terms). As at the date of this Base Prospectus, the European Money Markets Institute ("**EMMI**") (as administrator of EURIBOR) is not included in the ESMA's register of administrators under Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that, as at the date of this Base Prospectus, the administrator of EURIBOR is not required to obtain authorisation or registration. As at the date of this Base Prospectus, the ICE Benchmark Administration (as administrator of LIBOR) is included in the ESMA's register of administrators under Article 36 of the Benchmarks Regulation.

STABILISATION

In connection with the issue of any Tranche (as defined in the section "Overview of the Programme − Method of Issue") of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Managers) in accordance with all applicable laws and rules.

CURRENCIES

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**euro**", "**EUR**" and "**€**" are to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Union, as amended.

ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus includes certain financial metrics which the Issuer considers to constitute alternative performance measures ("**APMs**") and which are provided in addition to the conventional financial performance measures defined or specified in the applicable financial reporting framework, the International Financial Reporting Standards ("**IFRS**"). The Issuer believes that APMs provide investors with meaningful, additional insight as to underlying performance of the Issuer. An investor should not consider such APMs as alternatives to measures reflected in the Issuer's financial information, which has been prepared in accordance with the IFRS. In particular, an investor should not consider such measures as alternatives to profit after tax, operating profit or other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of the Issuer's activity.

Capital gain/loss AFS	The realised capital gains of (available for sale) debt securities.
Core net result	The net result not taking into account realised capital gain/loss AFS.
Cost/Income or C/I	[operating expenses of the period] / [financial and operational result of the period] Operating expenses include administration expenses, depreciation and provisions. Financial and operational result includes net interest income, dividend income, net income from commissions and fees, realised gains and losses on financial assets and liabilities not measured at fair value in the income statement, gains and losses on financial assets and liabilities held for trading, gains and losses from hedge accounting, gains and losses on derecognition of assets other than held for sale and other net operating income.
Cost/income or C/I excl. bank levies	[operating expenses of the period - bank levies of the period] / [financial and operational result of the period] The numerator is adjusted for (exceptional) items which distort the P&L during a particular period in order to provide a better insight into the underlying business trends. Adjustments relate to bank levies which are included pro rata and hence spread over all halves of the year instead of being recognised upfront (as required by IFRIC21).

Customer assets under management	The total market value of assets that the Issuer manages on behalf of investors.
Loan to value or LTV	Ratio of an outstanding loan to the indexed value of a purchased asset.
Net interest income or NII	[revenues generated by interest-bearing assets] - [cost of servicing (interest-burdened) liabilities]
Net interest margin or NIM	[net interest income of the period] / [average total assets of the period] Total assets are used as a proxy for the total interest-bearing assets.
Return on equity or RoE	[net profit of the period] / [equity at the beginning of the period]
RoE (annualised)	[net profit of the period (annualised)] / [equity at the beginning of the period (annualised)]

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RISK FACTORS

Prior to making an investment decision, prospective purchasers of the Notes should consider carefully, in light of the circumstances and their investment objectives, the information contained in this entire Base Prospectus.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under this offering. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which 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 sequence in which the risk factors are listed is not an indication of their likelihood to occur or of the extent of their consequences. Although the Issuer believes that the risks and uncertainties described below represent all material risks and uncertainties considered relevant on the date of publication of this Base Prospectus for the Issuer's business, the Issuer may face additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems to be immaterial.

Prospective investors should also read the detailed information set out elsewhere in this Base 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 advisers (if they consider it necessary).

"**Argenta Group**" means Argenta Bank- en Verzekeringsgroep NV and its subsidiaries from time to time (including the Issuer).

"**Insurance Pool**" means Argenta Assuranties NV ("**Aras**") and its subsidiaries from time to time. The Insurance Pool effectively relates to sister companies which have no relation to the Notes.

"**Bank Pool**" means the Issuer and its subsidiaries from time to time.

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in "Terms and Conditions of the Notes" below.

RISKS RELATING TO THE ISSUER

1. General

The Issuer is exposed to various financial and non-financial risks. The primary risks are market risks, including general and specific interest rate risk and credit risk. Other significant risks are the evolution of the economic activity in Belgium and the Netherlands, where the Issuer operates, risks associated with the Issuer's geographical spread of activities, concentration risk, liquidity risk, business risk, operational risk, strategic risk, and legal risks associated with changes in laws and regulations. Failing to maintain control over these risks can negatively affect the financial performance and reputation of the Issuer.

2. Risks relating to the market in which the Issuer operates

2.1 Business conditions and the general economy

The Issuer's profitability could be adversely affected by a worsening of general economic conditions domestically, globally or in certain individual markets such as Belgium and the Netherlands. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example:

- an economic downturn or significantly higher interest rates could adversely affect the credit quality of the Issuer's on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of the Issuer's customers would be unable to meet their obligations;
- persistently negative and decreasing short term interest rates could impact the Issuer's capacity to generate a sufficiently high level of revenues; and
- a continued market downturn or significant worsening of the economy could cause the Issuer to incur mark-to-market losses in some of its portfolios.

All of the above could in turn affect the Issuer's ability to meet its payments under the Notes.

2.2 The relationship of the United Kingdom with the European Union may affect the business of the Issuer

On 29 March 2017, the United Kingdom ("**UK**") invoked Article 50 of the Lisbon Treaty and officially notified the European Union ("**EU**") of its decision to withdraw from the EU. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the EU (the "**article 50 withdrawal agreement**"). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of EU law, and provide for continuing access to the EU single market, until the end of 2020.

It remains uncertain whether the article 50 withdrawal agreement will be finalised and ratified by the UK and the EU ahead of the 29 March 2019 deadline. If it is not ratified, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply to the UK from that date. Whilst continuing to negotiate the article 50 withdrawal agreement, the UK Government has therefore commenced preparations for a 'hard' Brexit or 'no-deal' Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that there is a functioning statute book on 30 March 2019. The European authorities have not provided UK firms and businesses with similar assurances in preparation for a 'hard' Brexit.

The effects on the United Kingdom, European and global economy of the uncertainties arising from the results of the referendum are difficult to predict but may include economic and financial instability in the United Kingdom, Europe and the global economy and the other types of risks described in the previous risk factor 2.1 entitled "*Business conditions and the general economy*" of this Base Prospectus. Any uncertainty or economic and financial instability or other effects arising as a result of the decision of the United Kingdom to leave the European Union, could affect the Issuer and, if they were to persist or worsen, could adversely affect the financial condition, results of operations and access to capital and credit of the Issuer.

Due to the on-going political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship, the precise impact on the business of the Issuer is difficult to determine. However, the economic and financial instability as a result of Brexit could adversely affect

the business and financial condition of the Issuer as well as the market value and/or the liquidity of the Notes.

2.3 Current market conditions and recent developments

The global economy, the condition of the financial markets and adverse macro-economic developments can all significantly influence the Issuer's performance. Sustained actions by the monetary authorities in both the United States and the Eurozone have created the conditions necessary to achieve stability in the financial system and to permit the start of an economic recovery. By injecting money into the economy and by creating proper financing systems, substitutes for the interbank market have been created and confidence within the banking system is being restored. The creation of a banking union in the EU and the subsequent requirements imposed upon financial institutions by that banking union is expected to further strengthen the confidence in the stability of the financial systems. However, financial institutions can still be forced to seek additional capital, merge with larger and stronger institutions and, in some cases, be resolved in an organised manner.

The capital and credit markets have experienced a reduction in the volatility and disruption over past years. In some cases, this has resulted in upward pressure on stock prices and bonds, and has also resulted in increased business and consumer confidence. Subsequently, the economy has left a period of distress and entered a prolonged phase of low economic growth and low interest rates, including negative interest rates in some of the areas where the Issuer operates. However, should the economy fall back into recession, a lack of confidence, increased volatility in the financial markets and reduced business activity may materially and adversely affect the Issuer's business, financial condition and operational results, which could in turn affect the Issuer's ability to meet its payments under the Notes.

2.4 Uncertain economic conditions

The Issuer's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, the state of the economies the Issuer does business in, market interest rates and other factors that affect the economy. Also, the market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other countries. There can be no assurance that these economic and market conditions and events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. The profitability of the Issuer's businesses could, therefore, be adversely affected by a worsening of general economic conditions in its markets, as well as by foreign and domestic trading market conditions and/or related factors, including governmental policies and initiatives. An economic downturn or significantly higher interest rates could increase the risk that a greater number of the Issuer's customers would default on their loans or other obligations to the Issuer, or would refrain from seeking additional borrowing. As the Issuer currently conducts the majority of its business in Belgium and the Netherlands, its performance is influenced by the level and cyclical nature of business activity in these countries, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a lasting weakening in the Belgian or Dutch economy will not have a material adverse effect on the Issuer's future results.

2.5 Risk associated with the highly competitive environment in which the Issuer operates and which could further intensify as a result of global market conditions

As part of the financial services industry, the Issuer faces substantial competitive pressures that could adversely affect the results of its banking, insurance and asset management operations, as well as its other products and services.

In its Belgian home market, the Issuer faces substantial competition. Competition is also affected by consumer demand, technological changes, regulatory actions and/or limitations and other factors. Moreover, competition on the Issuer's business can increase as a result of internet and mobile technologies changing customer behaviour, the rise of mobile banking and the threat of banking business being developed by non-banks. These competitive pressures could result in increased pricing pressures on a number of the Issuer's products and services, and in the loss of market share in one or more such markets.

The introduction of Payment Services Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market ("**PSD2**"), as implemented in Belgium in 2018, may enable the emergence of payment aggregators, which could in turn reduce the relevance of traditional bank platforms and weaken brand relationships.

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

3. Market risk

3.1 General

The principal financial risk factor for the Issuer is market risk, which also comprises fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in market prices. Within this market risk, the following two types of risks are particularly relevant for the Issuer: interest rate risk and spread widening risk.

Changes in interest rate levels, yield curves, and fluctuating rates of return can affect the interest margin between the cost of lending and the cost of borrowing for the Issuer.

Similarly, the level of credit spread or the volatility thereof – without this necessarily being caused by a change in the creditworthiness of the Issuer – impacts the return and the economic value of the investment- and loan portfolio.

The Issuer uses a range of instruments and strategies to partly hedge against certain market risks. If these instruments and strategies prove ineffective or only partially effective, the Issuer may suffer losses. Unforeseen market developments may significantly reduce the effectiveness of measures taken by the Issuer to hedge risks. Gains and losses from ineffective risk-hedging measures may heighten the volatility of results achieved by the Issuer and could therefore have an adverse effect on the Issuer's business, results of operations and financial condition.

3.2 Interest rate and inflation risk

The principal market risk factor for the Issuer is interest rate risk, which primarily results from changes in market prices on investments and liabilities, unexpected changes in investment yields and changes in the correlation between the interest rates of various financial instruments.

As a financial services group headed by a mixed financial holding, both the earnings and the capital position of the Issuer are subject to fluctuations caused by market risks. Interest rate fluctuations affect the return that the Issuer earns on fixed interest investments, and can also affect the value of the Issuer's investment portfolio. Interest rate changes can also affect the market values of the amounts of capital gains or losses the Issuer takes on and the fixed interest securities it holds. The professional management of these market risks (considering the specific strategic positioning of the Issuer as a savings bank), is mainly geared towards the management of interest rate risk as the principal component of market risk.

The operating results and capital position of the Issuer are sensitive to interest rate volatility, as a major component of its business strategy consists of attracting short to medium-term funds (primarily exclusively via savings deposits and bank savings certificates placed by retail customers, but also via wholesale funding), and investing these through a variety of loans and investments. The terms of these reinvestments do not necessarily match with the duration of the attracted funding. This causes a maturity mismatch, on the one hand, that generates a transformation result.

On the other hand, the valuation of the Issuer's financial position will depend on the fluctuations in these interest rates. As a result, the business's gross value (the difference between the investments measured at market value and the financing thereof) is affected by the fluctuations in these interest rates. The intensity of the volatility, in the valuation of the Issuer's financial position as a result of interest rate fluctuations is determined by the order of magnitude of the selected duration gap. This parameter serves as a benchmark for the weighted maturity mismatch, based on which management of interest rate sensitivity is undertaken.

Inflation and expected inflation can influence interest rates. An increase in inflation may: i) decrease the value of certain fixed income instruments which the Issuer holds, ii) result in surrenders in certain savings products with fixed rates below market rates by banking customers of the Issuer, iii) require the Issuer to pay higher interest rates on the securities that it issues; and iv) cause a general decline in financial markets.

4. Credit risk

4.1 Credit default risk exposure

As a large credit institution, the Issuer's business is subject to credit risk. Credit risk is the risk that a counterparty cannot meet its payment obligations. This can be as a result of the insolvency of a customer or a counterparty. This risk arises in both traditional loan portfolios as well as investment portfolios.

Risks relative to changes in the credit quality and recoverability of loans and amounts due from counterparties are inherently linked to a large part of the activities of the Issuer. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include, among others, borrowers under loans entered into by the Issuer, issuers whose securities the Issuer holds, customers, counterparties under swaps and other derivative contracts, clearing agents, exchanges, clearing houses, guarantors and other financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

Any adverse changes in the credit quality of the Issuer's borrowers, counterparties or other obligors could affect the recoverability and value of its assets and require an increase in the Issuer's provision for bad and doubtful debts. In addition to the credit quality of the borrower, adverse market conditions such as declining real estate prices could negatively affect the results of the Issuer's credit portfolio since these impact the recovery value of the collateral. All this could be further exacerbated in the event of a prolonged economic downturn or worsening market conditions.

The Issuer's banking business makes provisions for loan losses that correspond to its provision for impairment losses in its income statement, in order to maintain appropriate allowances for loan losses based on an assessment of prior loan loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the collectability of the loan portfolio. This determination is primarily based on the Issuer's historical experience and judgment. Any increase in provision for loan losses, any loan losses in excess of the previously determined provisions or changes to estimates of the risk of loss inherent in the portfolio of non-

impaired loans could have a material adverse effect on the Issuer's business, results of operation or financial condition.

A decrease in the credit quality of borrowers and counterparties of the Issuer, a general deterioration of the Belgian, Dutch or global economic condition or a decrease caused by systemic risks can affect the recoverability of outstanding loans and the value of the Issuer's assets. It can also require an increase of the provision for non-performing loans, as well as other provisions.

The events described above have and may continue to adversely affect, the Issuer's ability to engage in routine transactions as well as the performance of various loans and other assets it holds.

4.2 Concentration of credit risk

The Issuer is exposed to an increased credit risk due to a concentration of credit risk, resulting from the Issuer's sector and geographical concentration.

The Issuer has a concentration in lending to private individuals, more specifically mortgage loans to individuals, in Belgium and the Netherlands. As a result, the Issuer is highly dependent on developments in the housing market and the repayment capacity of private borrowers in Belgium and the Netherlands.

In addition, although the Issuer has a diversified investment portfolio, there is a concentration due to its holdings of debt instruments of the Belgian government.

4.3 Risks associated with the limited geographic spread of the business activities

The Issuer carries out the majority of its business activities in Belgium and the Netherlands. It also carries out limited activities in Luxembourg, where Argenta Asset Management S.A. acts as management company of Argenta Fund sicav and Argenta Portfolio sicav.

Consequently, the performance of the Issuer is primarily affected by the level and the cyclical nature of the business activities in Belgium and the Netherlands, which in turn are influenced by domestic and international economic and political events.

With regard to taxation, the Issuer's structure ensures that deposits, including the branch office in the Netherlands, falls within the Belgian government's deposit guarantee scheme, resulting in a sensitivity to changes in bank levies.

Rules of conduct governing investment products are primarily established at a European level and consequently implemented into national law by the individual Member States. The Issuer markets its investment products mainly in Belgium. For the practical implementation of these regulations in Belgium by the Financial Services and Markets Authority ("**FSMA**"), the Issuer follows the guidelines and the interpretations of Febelfin, the Belgian financial industry sector organisation. In the Netherlands, attention is paid to the broad theme "Client's Interest First", as steered by the *Autoriteit Financiële Markten* ("**AFM**").

4.4 Liquidity risk

The procurement of liquidity for the Issuer's operations and access to long term finance is crucial to achieve the Issuer's strategic goals, as they enable the Issuer to meet payment obligations in cash and on delivery, scheduled or unscheduled, so as not to prejudice the Issuer's activities or financial situation.

Liquidity risk is the risk that an insufficient amount of assets can be realised in order to repay financial liabilities at the moment these become due. Although the Issuer believes it currently has a satisfactory liquidity position, its procurement of liquidity could be adversely impacted by:

- an unexpected prolongation of the outstanding receivables, e.g. the default of a loan;
- the risk, in the Bank Pool, of a greater proportion of credit lines being drawn down or more savings deposits being withdrawn;
- the risk that the necessary corporate finance transactions cannot be undertaken (or can be undertaken at disadvantageous conditions);
- the risk that assets may be liquidated only at a serious discount due to a lack of interested counterparties on the market;
- the inability to access the debt market, sell products or refinance existing obligations as a result of the deterioration of market conditions, a lack of confidence in financial markets, uncertainty and speculation regarding the solvency of market participants, rating downgrades, and/or operational problems of third parties.
- substantial outflows in deposits, asset management products and life insurance products.

Like any bank, the Bank Pool pays particular attention to monitoring liquidity risk.

The inability of the Issuer to raise required funds on terms that are favourable to the Issuer, difficulties in obtaining long-term financings on terms which are favourable to the Issuer or addressing the consequences of substantial outflows could adversely affect the Issuer's business, financial condition and results of operations. In this respect, the adoption of new liquidity requirements under Basel III and CRD IV must also be taken into account since these could give rise to an increased competition leading to an increase in the costs of attracting necessary deposits and funding.

Furthermore, protracted market declines can reduce the liquidity of markets that are typically liquid. If, in the course of its activities, the Issuer requires significant amounts of cash on short notice (in excess of anticipated cash requirements), the Issuer may have difficulty selling investments at attractive prices, in a timely manner, or both. In such circumstances, market operators may fall back on support from central banks and governments by pledging securities as collateral. Unavailability of liquidity through such measures, or the decrease or discontinuation of such measures could result in a reduced availability of liquidity on the market and higher costs for the procurement of such liquidity when needed, thereby adversely affecting the Issuer's business, financial condition and results of operations.

The inability of a financial institution, including the respective entities of the Issuer, to anticipate and take into account unforeseen falls or changes in its sources of financing can affect such a financial institution's ability to fulfil its obligations when they fall due.

4.5 A downgrade in the credit rating

The rating agency Standard & Poor's or other rating agencies if applicable, use ratings to assess whether a potential borrower will be able in the future to meet its credit commitments as agreed. A major element in the rating for this purpose is an appraisal of the company's net assets, financial position and earnings performance. A bank's rating is an important comparative element in its competition with other banks. It also has a significant influence on the individual ratings of a bank's important subsidiaries. A downgrading or the mere possibility of a downgrading of the rating of the Issuer or one of its subsidiaries might have adverse effects on the relationship with customers and on the sales of the products and services of the company in question. In this way, new business could

suffer, the Issuer's competitiveness in the market might be reduced, and its funding costs would increase substantially. A downgrading of the rating would also have adverse effects on the costs to the Issuer of raising equity and borrowed funds and might lead to new liabilities arising or to existing liabilities being called that are dependent upon a given rating being maintained. It could also happen that, after a downgrading, the Issuer would have to provide additional collateral for derivative transactions in connection with rating-based collateral arrangements. If the rating of the Issuer were to fall within reach of the non-investment grade category, it would suffer considerably. In turn, this would have an adverse effect on the Issuer's ability to be active in certain business areas.

4.6 Risks associated with debt financing

The Issuer raises funding by incurring debt in the form of securities and subordinated securities. Although the Issuer believes that its financing structure is appropriate, the Issuer and its subsidiaries need to generate sufficient available cash flows to be able to repay these debts. If the Issuer wishes to refinance its debt, either before or at maturity, there is no absolute guarantee that new funding can be found on terms that the Issuer considers acceptable.

5. Business risk

Business risk is the risk that current and future earnings, and capital levels will be affected by changes in business volumes or by changes in margins and costs. Both of these can be caused by external market conditions and/or the inability of the Issuer as an organisation to respond to these. This risk also takes into account poor diversification of earnings or the inability to maintain a sufficient and reasonable level of profitability.

In order to best cushion the business risk which it faces, the Bank Pool has, in addition to its traditional activities, initiated a strategic policy of selling products that generate fee income. Alongside the "Insurance", "Lending", and "Savings & Payments" key market sector, this fourth market sector – "Investments" – should produce greater diversification of generated earnings. Another important factor here is the attention paid to cross-selling, in order to attract as many customers as possible to several market sectors concurrently.

6. Operational risk

6.1 General

The Issuer, like many other financial institutions has to contend with operational risk, including fraudulent and other criminal activities (both internal and external), breakdowns in processes or procedures and systems failure or non-availability.

The activities of the Bank Pool depend on its ability to process a very large number of transactions efficiently, accurately, and in accordance with internal policies and external legislation and regulations. Potential operational risks include violation of the money laundering legislation, breach of confidentiality obligations and the execution of unauthorised transactions. Operational risks and losses result from inadequate or failed internal processes (such as processes not aligned with the legal requirements), human actions (including fraud, employee errors), systems failure, or due to external events (such as cybercrime, breaches of data security, natural disasters or malfunctions of external systems, including those of the Issuer's suppliers or counterparties). The consequences of these may extend to financial or reputational loss, as well as loss of data. Additionally, the loss of key personnel could adversely affect the Issuer's operations and results.

The Bank Pool has a fairly limited number of products and services, limiting the Issuer's operational risks. In general, however, it is assumed that operational risks will gradually increase in the Issuer's various businesses, owing to, amongst other things, the rapidly changing technological environment

(including the internet and e-commerce), the increasing complexity and growing range of products, as well as a general trend towards outsourcing of non-core business activities.

Although the Bank Pool has taken measures to control the risks and limit any losses, as well as earmarking substantial funds for the development of efficient procedures and staff training, it is not possible to implement procedures that can completely exclude these operational risks in a completely effective manner.

6.2 Catastrophic events, terrorist attacks and other acts of war

Catastrophic events, terrorist attacks, other acts of war or hostility, and responses to those acts may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which the Issuer operates and, more specifically, on the business and results of operations of the Issuer in ways that cannot be predicted.

6.3 External service providers (outsourcing risk)

The Issuer is exposed to the risk of termination of key contracts with external service providers. Such a termination can lead to discontinuation of, or delays in, important business processes.

7. Legal risk

The Issuer's business is subject to the risk of litigation by customers, employees, shareholders or others through private actions, administrative proceedings, regulatory actions or other litigation. Given the complexity of the relevant circumstances and corporate transactions underlying these proceedings, together with the issues relating to the interpretation of applicable law, it is inherently difficult to estimate the potential liability related to such liability risks, to evaluate the outcome of such litigation or the time when such liability may materialise. Management makes estimates regarding the outcome of legal, regulatory and arbitration matters and creates provisions when losses with respect to such matters are deemed probable and can be reasonably estimated. Estimates, by their nature, are based on judgment and currently available information and involve a variety of factors, including but not limited to the type and nature of the litigation, claim or proceeding, the progress of the matter, the advice of legal counsel and other advisers, possible defences and previous experience in similar cases or proceedings. Legal proceedings with remote or non-quantifiable outcomes are not provided for, and the Issuer may be required to cover litigation losses which are not covered by such provision, including for example series of similar proceedings. With respect to certain other litigations against the Issuer of which management is aware and no provision has been made, management is of the opinion, after due consideration of appropriate advice, that, while it is often not feasible to predict or determine the ultimate outcome of all pending litigations, such litigations are without legal merit, can be successfully defended or that the outcome of these actions is not expected to result in a significant loss. As a result, there can be no assurance that provisions (if any) will be sufficient to fully cover the possible losses arising from litigation proceedings, and the Issuer cannot give any assurance that a negative outcome in one or more of such proceedings would not have a material adverse effect on the Issuer's business, results of operations or financial condition.

Furthermore, plaintiffs in legal proceedings may seek recovery of large or indeterminate amounts or other remedies that may affect the Issuer's ability to conduct business, and the magnitude of the potential loss relating to such actions may remain unknown for substantial periods of time. Also, the cost to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of its services, regardless of whether the allegations are valid or whether they are ultimately found liable.

As a result, litigation may adversely affect the Issuer's business, financial condition and results of operations.

8. Strategic risk

The strategic risk to which the Issuer is exposed is the risk that current and future earnings and capital adequacy could be affected by poor policy or operational decisions, poor implementation of decisions, or lack of responsiveness to changing market conditions (both commercial and financial).

9. Regulatory risk

9.1 Increased and changing regulations of the financial services industry may have an adverse effect on the Issuer

Wherever the Issuer operates, it is subject to laws, regulations, administrative measures, and policies governing financial services. Changes in the supervisory framework and regulations may affect the activities, products, and services that the Issuer offers, or the value of its assets. Current regulation and future regulatory developments could have an adverse impact on the business of the Issuer.

Significant regulatory developments have taken place in response to the global financial crisis, including various initiatives and measures by the EU and individual national governments, the stress test coordinated by the European Banking Authority in collaboration with the ECB and liquidity risk assessments at European and national level.

This regulatory framework includes:

- The prudential requirements under Basel III, which have been implemented in the EU through the adoption of Regulation (EC) nr. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("**CRR**") and Directive 2013/36/EC of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD**", and together with the CRR, "**CRD IV**").

- Regulation (EC) nr. 1024/2013 of the Council of 15 October 2013 conferring specific tasks on the European Central Bank ("**ECB**") concerning policies relating to the prudential supervision of credit institutions ("**Single Supervisory Mechanism**" or "**SSM**") conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions. Under the SSM, the ECB has assumed certain supervisory responsibilities in relation to the Issuer, which were previously handled by the National Bank of Belgium (the "**NBB**"). The ECB may interpret the applicable banking regulations, or exercise discretions given to the regulator under the applicable banking regulations, in a different manner than the NBB.

- Regulation 806/2014 of the European Parliament and 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 Regulation (EU) No 1093/2010 of the European Parliament and the Council ("**Single Resolution Mechanism Regulation**" or "**SRMR**"). The Single Resolution Mechanism Regulation entered into force on 19 August 2014 and applies to credit institutions which fall under the supervision of the ECB (i.e., including the Issuer). The SRMR has established a Single Resolution Board ("**SRB**") which, since 1 January 2016, is the authority in charge of vetting resolution plans and carrying out the resolution of a credit institution that is failing or likely to fail. The Single Resolution Board will act in close cooperation with the European Commission, the European Central Bank and the national resolution authorities (including the resolution college of the NBB within the meaning of Article 21*ter* of the Act of 22 February 1998 establishing the organic statute of the National Bank of Belgium). The Single Resolution Board established by Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 together with the resolution

college of the NBB (where applicable) and/or any other authority entitled to exercise or participate in the exercise of the bail-in power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation) is hereinafter referred to as the "**Relevant Resolution Authority**". Moreover, the SRMR established a Single Resolution Fund ("**SRF**") which will be built up with contributions of the banking sector to provide funding support for the resolution of credit institutions. The overall aim of the SRMR is to ensure an orderly resolution of failing banks with minimal costs to taxpayers and the real economy.

– Directive 2014/59/EC of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, which provides for a framework for the recovery and resolution of credit institutions and investment firms ("**BRRD**"), implemented in Belgian law through the Belgian Banking Law. The aim of the BRRD is to provide supervisory and resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

– Furthermore, changes are also being made to the International Financial Reporting Standards ("**IFRS**").

On 23 November 2016, the European Commission published two proposals for a directive amending, inter alia, the CRR, the CRD, the BRRD and the SRMR (the "**EU Banking Reform Proposals**"), in order to further strengthen the resilience of EU banks and enhance financial stability. The proposal includes measures that will improve banks' lending capacity to support the EU economy (such lending to SMEs and investment in infrastructure), as well as measures that facilitate banks in achieving deeper and more liquid EU capital markets in order to support the creation of the Capital Market Union. The proposals form part of the ongoing work to reduce risk in the banking sector and have been submitted to the European Parliament and to the Council for consideration and adoption. On 25 May 2018, the Council agreed its stance on the EU Banking Reform Proposals and has asked the presidency to start negotiations with the European Parliament as soon as the European Parliament is ready to negotiate. The European Parliament confirmed its position on the EU Banking Reform Proposals at the June 2018 plenary. Since then, 13 trilogues have taken place. The revised text of the EU Banking Reform Proposals was endorsed by COREPER on 30 November 2018 and approved by ECOFIN Council on 4 December 2018. Work on remaining outstanding issues will continue both at technical and political level, in view of finalising negotiations on the banking package and of a formal approval by the European Parliament in plenary session beginning 2019.

In addition, on 7 December 2017, the Basel Committee announced a final agreement on the finalisation of Basel III (commonly referred to as Basel IV). This will result in an increase of the capital requirements for common equity tier 1 ("**CET1**") from 2022 onwards. Such impact can preliminary be assessed at 1% to 1.25% of CET1 ratio, based on the current agreement. This estimation is subject to the transposition of the international agreement in EU legal framework, the discretion of the macro prudential authority to mitigate the impact of different measures and the forthcoming structure of the balance sheet. In the event that the European authorities when transposing Basel IV were to deviate from this final agreement, this could have a significant impact on the Issuer's solvency position. In the event that the separate discussions at the level of the Basel Committee on Banking Supervision regarding sovereign and public exposures were to lead to an agreement on these matters, this could also materially affect the Issuer's capital requirements.

Although the Issuer works closely with its regulators and continually monitors regulatory developments, there can be no assurance that additional regulatory or capital requirements will not have an adverse impact on the Issuer, or its business, financial condition or business results.

There can be no assurance that the implementation of these new standards, or any other new regulation, will not require the Issuer to issue securities that qualify as regulatory capital, or to liquidate assets or curtail business, all of which may have adverse effects on its business, financial condition or business results.

The business operations of the Issuer are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations in Belgium and other countries in which the Issuer operates.

Changes in supervision and regulation could materially affect the Issuer's business, products and services offered by it, or the value of its assets. In addition, the level of supervision by the governments and supervisory authorities and the enforcement of the applicable rules seem to have increased with the start of the global economic crisis, combined with increased pressure to impose further regulation and levies on the financial services sector. There can be no assurance that such increased scrutiny or charges will not require the Issuer to take additional measures, which in turn may have adverse effects on its business, financial condition or business results.

9.2 Belgian Banking Law

The act of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms (the "**Belgian Banking Law**"), replaces the Act of 22 March 1993 on the status and supervision of credit institutions and implements various European Directives and Regulations, including but not limited to CRD IV and BRRD, as well as various measures which have been introduced since the financial crisis.

The Belgian Banking Law, however, has an impact that goes beyond the mere transposition of the aforementioned CRD IV and BRRD. This is, in particular, but not solely, due to (i) the increased regulatory attention to, and regulation of, corporate governance (including executive compensation), (ii) the need for strategic decisions to be pre-approved by the regulator, and (iii) the prohibition (subject to limited exceptions) of proprietary trading. For these purposes, strategic decisions include decisions having significance relating to each investment, disinvestment, participation or strategic cooperation agreement of the financial institution, including decisions regarding the acquisition of another institution, the establishment of another institution, the incorporation of a joint venture, the establishment in another country, the conclusion of cooperation agreement, the contribution of or the acquisition of a branch of activities, a merger or a demerger. The supervisory authority will have the benefit of extensive discretionary power in this area.

It should be noted that (i) certain elements of the Belgian Banking Law require further detailed measures to be taken by other authorities, in particular the NBB, (ii) certain elements of the Belgian Banking Law will be influenced by further regulations (including through technical standards) taken or to be taken at European level, and (iii) the application of the Belgian Banking Law may be influenced by the assumption by the ECB of certain supervisory responsibilities which were previously handled by the NBB and, in general, by the allocation of responsibilities between the ECB and the NBB under the SSM.

The Belgian Banking Law will also have to be further amended once the various amendments to CRR, CRD, BRRD and the SRMR (as laid down in the EU Banking Reform Proposals), which were proposed by the European Commission on 23 November 2016 and agreed (subject to certain changes) by the Council on 25 May 2018, are adopted in 2019 or later.

9.3 Minimum regulatory capital and liquidity requirements

The Issuer is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements. Under Basel II and III, capital requirements are inherently more sensitive to market movements compared to previous regimes.

Capital requirements will increase if economic conditions or negative trends in the financial markets worsen. Any failure of the Issuer to maintain its minimum regulatory capital ratios could result in administrative actions or sanctions, which in turn may have a material adverse impact on the Issuer's results of operations. A shortage of available capital may restrict the Issuer's opportunities for expansion.

The Issuer is required to meet certain capital and liquidity requirements under CRD IV, which implements the Basel III proposals ("**Basel III**"). Such requirements will be gradually phased in and have an impact on the Issuer and its operations, as it imposes higher capital requirements. Moreover, any failure of the Issuer to maintain such increased capital and liquidity ratios could result in administrative actions or sanctions, which may have an adverse effect on the Issuer's results of operations.

As set out above, on 23 November 2016, the European Commission proposed through the EU Banking Reform Proposals, some further changes to the capital requirement rules, known as "**CRD V**", which will implement the so-called "Basel IV" package. Under these proposals, the leverage ratio and the net stable funding ratio will become binding. The Liquidity Coverage Ratio ("**LCR**") is defined as the unencumbered stock of high quality liquid assets relative to the total net cash outflows over a 30 day time period. The Net Stable Funding Ratio ("**NSFR**") is defined as the amount of available stable funding relative to the amount of required stable funding. These ratios must at all times be equal to or greater than 100%. As of 30 June 2018, the Issuer's consolidated LCR stood at 195%, and its NSFR was 145%.

The counter-cyclical capital buffer, which aims to protect the Issuer against future losses, while maintaining the extension of credit to the economy and avoiding the build-up of systemic risk, is determined on a quarterly basis by the NBB, based on indicators specified in the Belgian Banking Law. The NBB decided on 18 September 2018 to keep the countercyclical buffer percentage at 0% for the fourth quarter of 2018 and it currently remains at that level.

The Issuer will also be subject to a leverage ratio for institutions as a backstop measure, to be applied from 2018 alongside current risk-based regulatory capital requirements.

The Issuer's capital conservation buffer was phased in and amounts to 2.50% as from 1 January 2019. The capital conservation buffer is designed to ensure that banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred.

Article 14 of the fourth Appendix of the Belgian Banking Law also allows the NBB to impose an additional capital buffer on domestic systemically important institutions, and which may be set at an amount up to 2% CET1. As from 1 January 2018, the Issuer is subject to an additional capital buffer of 0.75%. On 30 November 2018, the NBB has confirmed that this additional capital buffer will be maintained at this level for the year 2019.

The Issuer's pillar 2 requirement (P2R) under the Supervisory Review and Evaluation Process (SREP) currently amounts to 1.75%.

9.4 European resolution regime

The BRRD grants powers to resolution authorities that include (but are not limited to) the introduction of a statutory "write-down and conversion power" in relation to Tier 1 capital instruments and Tier 2 capital instruments (including the Subordinated Notes) and a "bail-in" power in relation to eligible liabilities (as defined in Article 2(1)(71) BRRD, i.e., the liabilities and capital instruments that do not qualify as common equity tier 1, additional tier 1 capital instruments of tier 2 capital instruments and that are not excluded from the scope of the bail-in power by virtue of Article 44 (2) BRRD, which includes the Senior Notes). These powers allow the Relevant Resolution Authority to cancel all or a

portion of the principal amount of, or interest on, certain unsecured liabilities (potentially including the Notes) of a failing financial institution and/or to convert certain debt claims (which could be the Notes) into another instrument of ownership, including ordinary shares of the Issuer or any other surviving group entity, if any. The "write down and conversion" and "bail-in" powers are part of a broader set of resolution powers provided to the resolution authorities under the BRRD in relation to distressed credit institutions and investment firms. These resolution tools include the ability for the resolution authorities to force, in certain circumstances of distress, the sale of a credit institution's business or its critical functions, the separation of assets, the replacement or substitution of the credit institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including amending the maturity date, any interest payment date or the amount of interest payable and/or imposing a temporary suspension of payments) and/or discontinue the listing and admission to trading of debt instruments issued by the credit institution.

The Belgian Banking Law has transposed the BRRD into Belgian law. Please see below for a description of the Belgian bank recovery and resolution regime.

9.5 Belgian Bank Recovery and Resolution regime

Under the Belgian bank recovery and resolution regime, the supervisory authorities are able to take a number of measures (*herstelmaatregelen/mesures de redressement*) in respect of any credit institution it supervises if deficiencies in such credit institution's operations are not adequately remedied. In case these measures are not complied with by the credit institution, or if the credit institution's situation has not improved after implementation of such measures, the supervisory authorities can take exceptional measures (*uitzonderlijke herstelmaatregelen/measures de redressement exceptionnelles*). Such measures include: the appointment of a special commissioner whose consent is required for all or some of the decisions taken by the institution's corporate bodies; the imposition of additional requirements in terms of solvency, liquidity, risk concentration and the imposition of other limitations; requesting limitations on variable remuneration; the complete or partial suspension or prohibition of the institution's activities; the requirement to transfer all or part of the institution's participations in other companies; replacing the institution's directors or managers; and revocation of the institution's license, the right to impose the reservation of distributable profits, or the suspension of discretionary payments or interest payments to holders of additional tier 1 capital instruments.

Furthermore, the Relevant Resolution Authority can impose specific measures on an important financial institution (including the Issuer, and whether systemic or not) when the Relevant Resolution Authority is of the opinion that (a) such financial institution has an unsuitable risk profile or (b) the policy of the financial institution can have a negative impact on the stability of the financial system.

The Belgian Banking Law allows the Relevant Resolution Authority to take resolution actions (please see the paragraph on European Resolution Regime above). Such powers include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for that purpose which is wholly or partially in public control), (iii) separate assets by transferring impaired or problem assets to a bridge institution or one or more asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down and (iv) apply the bail-in power. The bail-in power allows the Relevant Resolution Authority to decide to write down or convert into shares or other proprietary instruments all or part of a credit institution's eligible liabilities, as defined above, in order to (i) recapitalise the credit institution to the extent sufficient to restore its ability to comply with its licensing conditions and to continue to carry out the activities for which it is licensed and to sustain sufficient market confidence in the institution, or (ii) convert or reduce the principal amount of debt instruments that are transferred to a bridge institution with a view to providing capital for that bridge institution or as part of a sale of the business or transfer of assets.

The Relevant Resolution Authority must write down or convert all Tier 1 Capital instruments and Tier 2 Capital instruments (including the Subordinated Notes) at the institution's point of non-viability (i.e., the point at which the relevant authority determines that the institution meets the conditions for resolution or would cease to be viable (within the meaning of Article 251 of the Belgian Banking Law) if those capital instruments were not written down or converted or at least together with, the application of any resolution tool (including the exercises of the bail-in powers)) and in other limited circumstances set out in Article 250 of the Belgian Banking Law.

In addition, all Tier 1 Capital instruments and the Tier 2 Capital instruments (including the Subordinated Notes) must be written down or converted before, or at least together with, the application of any resolution tool as set out above (including the exercise of the bail-in powers) if deemed necessary in order to avoid the institution or group becoming non-viable. Accordingly, the Subordinated Notes would in any event be written-down or converted at the latest at the same time with any bail-in of senior debt claims (such as the Senior Notes) and possibly before, if deemed necessary in order to avoid that the institution becomes non-viable. See also risk factor "*Holders of Subordinated Notes will be required to absorb losses in the event the Issuer becomes non-viable or if the conditions for the exercise of resolution powers are met*".

When applying the bail-in tool, the Relevant Resolution Authority takes one or both of the following actions in respect of shareholders and holders of other proprietary instruments:

1. cancel existing shares or other proprietary instruments or transfer them to bailed-in creditors;

2. provided that the institution under resolution has a positive net value, dilute existing shareholders and holders of other proprietary instruments as a result of the conversion into shares or other proprietary instruments of relevant capital instruments issued by the institution pursuant to the Resolution Authority's conversion power or eligible liabilities issued by the institution under resolution. Such conversion shall be conducted at a rate of conversion that severely dilutes existing holdings of shares or other proprietary instruments.

For the purposes of the Relevant Resolution Authority's bail-in powers, credit institutions must at all times meet robust minimum requirements for own funds and eligible liabilities ("**MREL**") so that there is sufficient capital and liabilities available to recapitalise failing credit institutions.

As at 30 June 2018, the MREL ratio based on instruments issued by the Issuer stood at 6.21 per cent. of total liabilities and equity. The SRB has communicated a target MREL ratio of 4.9 per cent. of total liabilities and equity for 2018. The MREL requirement based on the target ratio of 4.9 per cent. equals EUR 1.9 billion bail-in requirement. As at 30 June 2018, the available MREL is EUR 2.4 billion. The Issuer is in the process of assessing the impact of the further implementation of the EU Banking Reform Proposals on its MREL ratio and in particular the introduction of a subordination requirement.

Eligible liabilities shall be included in the amount of own funds and eligible liabilities if they satisfy the following conditions as stated in Article 267/3, §2 Belgian Banking Law:

1. the instrument is issued and fully paid up;

2. the liability is not owed to, secured by or guaranteed by the institution itself;

3. the purchase of the instrument was not funded directly or indirectly by the institution;

4. the liability has a remaining maturity of at least one year;

5. the liability does not arise from a derivative; and

6. the liability does not arise from a preferential deposit (within the meaning of Article 389 of the Belgian Banking Law).

The draft technical standards on the criteria for determining the minimum requirement for own funds and eligible liabilities currently do not provide details on the implications of a failure by an institution to comply with its MREL requirements. However, if the approach set out by the Financial Stability Board ("**FSB**") in respect of the Total Loss-Absorbing Capacity ("**TLAC**") for Global Systemically Important banks ("**G-SIBs**") is adopted in respect of MREL, there is a possibility that a failure by an institution to comply with MREL could be treated in the same manner as a failure to meet minimum regulatory capital requirements. Accordingly, a failure by the Issuer to comply with its MREL requirement may have a material adverse effect on the Issuer's business, financial conditions and results of operations. The Issuer is not a G-SIB as defined under term sheet published by the FSB on 9 November 2015 (the "**FSB TLAC Term Sheet**") and is therefore currently not subject to the FSB TLAC Term Sheet.

The BRRD is expected to be amended in the context of the EU Banking Reform Proposals. Article 45k of the current draft sets out the measures on the basis of which the Relevant Resolution Authority should address a failure by an institution to comply with its MREL requirements. These include: powers to address or remove impediments to resolvability; measures referred to in Article 104 of the CRD in the context of supervisory powers; early intervention measures; and administrative penalties.

As indicated above, under the Belgian Banking Law, the powers of the supervisory and resolution authorities are significantly expanded. Implementation by the supervisory and/or resolution authorities of any of their powers of intervention could have an adverse effect on the interests of the Noteholders.

9.6 Risk of breaches of regulatory and compliance-related requirements

The Issuer as financial institution is subject to the risk of inadequate or erroneous, internal and external processes and systems, regulatory problems, breaches of compliance-related provisions in connection with the exercise of business activities, such as rules to prevent money laundering, human errors and deliberate legal violations such as fraud. The Issuer endeavours to mitigate such risks by implementing appropriate control processes tailored to its business, the market and regulatory environment in which it operates. Nevertheless, it is possible that these measures could prove to be ineffective in relation to some or all regulatory risk(s) to which the Issuer is exposed. Even though the Issuer endeavours to insure itself against the most significant regulatory risks, it is not possible to obtain insurance cover for all the operational risks on commercially acceptable terms. Failure to comply with applicable regulations, could result in fines, penalties. Should one, some or all of the risks described in this paragraph materialise, the Issuer's business, results of operations and financial condition could be materially adversely affected.

10. Approximately 14% of the shares in the Argenta Group are owned by Argen-Co

Approximately 14% of the shares in the Argenta Group are owned by Argenta Coöperatieve cvba ("**Argen-Co**"), which is a recognised cooperative undertaking in accordance with the Law of 20 July 1955 on a National Council for Cooperatives.

The prudential treatment by the NBB and European supervisory authorities of cooperative undertakings as shareholder of credit institutions is currently uncertain. Discussions on the qualification of cooperative capital as Tier 1 Capital within financial groups as well as the conditions for such qualification are ongoing on a national and European level.

Accordingly, the Issuer is subject to the risk that all or part of the cooperative capital that is currently being held by Argen-Co may be disqualified by the NBB or the European supervisory authorities as Tier 1 Capital. The Issuer is also subject to the risk that new, additional prudential requirements will be

imposed by the NBB or the European supervisory authorities regarding cooperative capital as to ensure that such cooperative capital will continue to qualify as Tier 1 Capital. These new prudential requirements might require Argen-Co and/or the Issuer to change organisational or corporate governance structures or to impact its balance sheet structure.

There is a proposed act to change the current Belgian Companies Code, which is expected to enter into force in the second quarter of 2019. The current regime governing cooperative undertakings (such as Argen-Co) will be amended and it is expected that certain cooperative undertakings will need to be converted into another legal form at the latest on 1 January 2024. In case Argen-Co converts into another legal form, this might have an impact on its shareholding, organisational and corporate governance structure.

Should the risks described in this paragraph materialise, the Issuer's business, results of operations and financial condition could be materially adversely affected.

11. The Argenta Group may be subject to privacy or data protection failures, cybercrime and fraudulent activity in relation to personal customer data, which could result in investigations by regulators, liability to customers, administrative fines, penalties and/or reputational damage.

The Argenta Group is subject to regulation regarding the processing (including disclosure and use) of personal data. The Argenta Group processes significant volumes of personal data relating to customers as part of its business, some of which may also be classified under legislation as sensitive personal data. The Argenta Group must therefore comply with strict data protection and privacy laws and regulations. Recently those laws and regulations have been reinforced through the Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**GDPR**"), which entered into force on 25 May 2018 and is the primary legislation governing the Argenta Group's use of customer personal data. It introduces substantial changes to data protection laws, including an increased emphasis on businesses being able to demonstrate compliance with their data protection obligations. In addition, the European Commission recently released its proposal for a new European ePrivacy Regulation. Businesses run the risk of penalties if they do not comply with the standards set by GDPR.

The Argenta Group also faces the risk of a breach in the security of its ICT systems, for example from increasingly sophisticated attacks by cybercrime groups. In recent years, financial institutions have been impacted by a number of cyber incidents.

Data breaches could have a material adverse impact on the Argenta Group's reputation and on its business, financial condition, operating results and prospects. The Group tries to mitigate such risks, including by ensuring that systems and procedures are in place to ensure compliance with relevant regulations. There can, however, be no assurance that such security measures will be effective.

12. Changes in certain fiscal regimes could adversely impact the Issuer's financial position

All members of the Issuer's group account for and pay tax in their local jurisdictions. Significant changes in the basis or rate of corporation tax, withdrawal of allowances or credits, or imposition of new taxes in such local jurisdictions, may have a material impact upon the group's tax charges which, in turn, could have a negative impact on its results of operations and its financial position.

13. Change in accounting standards – IFRS 9

The Issuer reports its results of operations and financial position in accordance with IFRS. The preparation of the Issuer's financial statements requires management to make estimates and assumptions and to exercise judgment in selecting and applying relevant accounting policies, each of which may directly impact the reported amounts of assets, liabilities, income and expenses, to ensure

compliance with IFRS. Some areas involving a higher degree of judgment, or where assumptions are significant to the financial statements, include the level of impairment provisions for loans and advances, retirement benefit obligations and deferred tax assets. If the judgments, estimates and assumptions used by the Issuer in preparing its consolidated financial statements differ from the actual results, there could be a significant loss beyond that anticipated or provided for, which could have a material adverse effect on the Issuer's business, results of operations, financial condition and/or prospects.

Changes to IFRS or interpretations thereof may cause its future reported results of operations and financial position to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect the regulatory capital position and regulatory ratios by requiring the recognition of additional provisions for loss on certain assets. The Issuer monitors potential accounting changes and when these are finalised, it determines the potential impact and discloses significant future changes in its financial statements. Currently, there are a number of issued but not yet effective IFRS changes, as well as potential IFRS changes, some of which could be expected to impact the Issuer's reported results of operations, financial position and regulatory capital in the future. Where the application of IFRS requires a large element of judgment, the risk of incorrect judgments being made may be heightened where the IFRS standard concerned is recently introduced as there is an absence of a developed practice in its application.

Since 1 January 2018, the Issuer applies the IFRS 9 "Financial Instruments" replacing the International Accounting Standard 39 ("**IAS 39**"). IFRS 9 "Financial Instruments" was published in 2014 and combines all aspects of accounting for financial instruments: classification and measurement, impairment and hedge accounting.

According to IFRS 9, the classification and measurement of financial assets is based on both the entity's business model for managing the financial assets and the financial assets' contractual cash flow characteristics (the so-called SPPI-test, SPPI standing for "solely payments of principal and interest"). A description of the applied choices can be found in note 2 of the Interim Financial Statements 1H 2018. New impairment rules under IFRS 9 replaces the current incurred loss model of IAS 39 by an expected credit loss model. The IFRS 9 impairment rules requires an impairment allowance for all financial assets that are measured at amortised cost and fair value through other comprehensive income, for all loan commitments, for all financial guarantees not recognised at fair value and for all lease receivables. The changes in these allowances are reported in profit and loss. With regard to hedge accounting, the Issuer continues to apply the IAS 39 principles for the "portfolio fair value hedge of interest rate risk" (macro hedge) and the IAS 39 principles for micro hedge, in conformity with the accounting policy option provided for in IFRS 9.

Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 were recognised in retained earnings and reserves as at 1 January 2018. The negative impact on retained earnings and other comprehensive income amounts to EUR 46 million after tax, which can be split into (a) a classification and measurement effect on OCI (EUR -37 million) and retained earnings (EUR – 1 million) and (b) an increase in impairments with effect in retained earnings (EUR -8 million after tax). Based on the above elements, there was a decrease in the Common Equity Tier 1 equity ratio mainly due to the decrease in the "Other Comprehensive Income" line (consisting of not realised capital gains or losses on available-for-sale assets) in the qualifying equity. The impact on the retained earnings (of EUR 9.1 million) was offset by a decrease in the internal ratings-based ("**IRB**") deficit, because the additional impairments mainly related to loans that are processed in the equity calculation according to the IRB method. This means that the so-called IRB deficit is decreased (because more impairments could be applied) and the impact of these impairments on the qualifying equity is limited.

The Issuer has taken the exemption in the Interim Financial Statements 1H 2018 not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 but rather those of IAS 39.

14. Compliance Risk

The Issuer is exposed to a risk of failing to comply with regulations, including regulations relating to anti-money laundering, combating the financing of terrorism and know your customer (KYC) obligations, MiFID II and Regulation 2016/679 of the European Union and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. Non-compliance with such regulations may, amongst others, lead to imposition of penalties and sanctions on the Issuer.

15. Model Risk

Data quality, methodological or model governance related issues (such as inappropriate model design) may result in insufficiently accurate models, which, amongst others, may lead to additional capital and provision charges for the Issuer.

RISKS RELATING TO THE NOTES

1. The Notes may not be suitable for all investors

The Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should, as the case may be, consult its legal advisers to determine whether and to what extent the Notes are legal investments for it. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(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 Notes 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 Notes, including where the currency for principal and/or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the relevant Notes 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.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

2. Investors are responsible for the legality of their purchase of any Notes

None of the Issuer, the Dealers and any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

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

Holders of Subordinated Notes will lose some or all of their investment as a result of a statutory write-down or conversion of the Subordinated Notes if the Issuer fails or is likely to fail, becomes non-viable, requires extraordinary public support or if otherwise the conditions for the exercise of resolution powers are met.

Under the Belgian Banking Law, the Relevant Resolution Authority may decide to write-down the Subordinated Notes or to convert the Subordinated Notes into common equity tier 1 capital of the Issuer if one or more of the following circumstances apply:

(a) the Relevant Resolution Authority determines that the Issuer meets the conditions for resolution specified in Article 244, §1 of the Belgian Banking Law; i.e., if the national resolution authority considers that all of the following conditions are met:

(i) the determination that the Issuer is failing or is likely to fail has been made by the relevant regulator or the Relevant Resolution Authority (in each case, after consulting each other), which means that one or more of the following circumstances are present:

(A) the Issuer infringes or there are objective elements to support a determination that the Issuer will, in the near future, infringe the requirements for continuing authorisation in a way that would justify the withdrawal of the authorisation by the competent authority, including but not limited to because the Issuer has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;

(B) the assets of the Issuer are or there are objective elements to support a determination that the assets of the Issuer will, in the near future, be less than its liabilities;

(C) the Issuer is or there are objective elements to support a determination that the Issuer will, in the near future, be unable to pay its debts or other liabilities as they fall due; or

(D) the Issuer requests extraordinary public financial support;

(ii) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action taken in respect of the Issuer would prevent its failure within a reasonable timeframe; and

(iii) a resolution action is necessary in the public interest; a resolution action will be deemed necessary in the public interest if it is necessary to meet one or more objectives referred to in Article 243, §1 of the Belgian Banking Law and a liquidation of the credit institution would not allow such objectives to be met in the same measure,

in which case the Relevant Resolution Authority shall, in any event, exercise its write-down and conversion powers before taking any resolution action (including the use of the bail-in tool);

(b) the Relevant Resolution Authority determines that unless the write-down or conversion power is exercised in relation to the Subordinated Notes, the Issuer will no longer be viable; or

(c) the Issuer requests extraordinary public financial support.

The purpose of the statutory write-down and conversion powers is to ensure that the Tier 2 capital instruments of the Issuer (including the Subordinated Notes) fully absorb losses if one or more of the above circumstances apply and before any resolution action (including the use of the bail-in tool) is taken.

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

4. Bail-in of senior debt and other eligible liabilities, including the Senior Notes

Given the entry into force of the bail-in regime, holders of Senior Notes may lose some or all of their investment (including outstanding principal and accrued but unpaid interest) as a result of the exercise by the Relevant Resolution Authority of the "bail-in" resolution tool.

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

In summary (and subject to the implementing rules), the Relevant Resolution Authority is able to exercise its bail-in powers if the following (cumulative) conditions are met:

(a) the determination that the Issuer is failing or is likely to fail has been made by the relevant regulator, which means that one or more of the following circumstances are present:

  (i) the Issuer infringes or there are objective elements to support a determination that the Issuer will, in the near future, infringe the requirements for continuing authorisation in a way that would justify the withdrawal of the authorisation by the competent authority, including but not limited to because the Issuer has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;

  (ii) the assets of the Issuer are or there are objective elements to support a determination that the assets of the Issuer will, in the near future, be less than its liabilities;

  (iii) the Issuer is or there are objective elements to support a determination that the Issuer will, in the near future, be unable to pay its debts or other liabilities as they fall due;

  (iv) the Issuer requests extraordinary public financial support;

(b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action taken in respect of the Issuer would prevent the failure of the Issuer within a reasonable timeframe; and

(c) a resolution action is necessary in the public interest.

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

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

5. Impact of conversion, write-down and bail-in powers on listings

To the extent the Subordinated Notes are converted or written-down, or the Senior Notes are bailed-in (i.e. written down or converted) pursuant to the Belgian Banking Law or otherwise, the Issuer does not expect any securities issued upon conversion of the Notes to meet the listing requirements of any securities exchange, and the Issuer expects outstanding listed securities to be delisted from the securities exchanges on which they are listed. It is likely that any securities the Noteholders will receive upon the exercise of the bail-in power will not be listed for at least an extended period of time, if at all. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the Issuer at the time any securities are issued upon conversion of the Notes, or the disclosure may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the write-down, conversion or bail-in power. As a result, there may not be an active market for any securities Noteholders may hold after the exercise of the write-down, conversion or bail-in powers.

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

As more fully described in the Terms and Conditions of the Notes, the Issuer's obligations under the Subordinated Notes will be unsecured and subordinated and will (subject to any obligations which are mandatorily preferred by law) rank:

(a) junior to the claims of all Senior Creditors of the Issuer (i.e., creditors holding claims that, in accordance with their terms, rank or are expressed to rank senior to the Subordinated Notes);

(b) *pari passu* without any preference among themselves and *pari passu* with (a) the claims of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 capital of the Issuer and (b) any obligation which ranks or is expressed to rank *pari passu* with the Subordinated Notes; and

(c) senior and in priority to (a) the claims of holders of all classes of share and other equity capital (including preference shares (if any)) of the Issuer, (b) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, and (c) the claims of holders of any other obligations or instruments of the Issuer which are or are expressed to be subordinated to the Subordinated Notes.

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

7. The Issuer is not prohibited from issuing additional debt, which may rank *pari passu* with or senior to the Notes

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

8. The Notes are subject to early redemption by the Issuer, subject to certain conditions

8.1 Redemption at the option of the Issuer

If so specified in the Final Terms, the Notes may be redeemed early at the option of the Issuer, provided that Subordinated Notes may as a general rule and subject to certain other exceptions (see below) only be redeemed by the Issuer after five years following the Issue Date of the last Tranche of a Series of Subordinated Notes. An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect or is perceived to be able to elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. In addition, Noteholders will not receive a make-whole amount or any other compensation in the event of an early redemption of the Notes.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes, subject to meeting relevant conditions in the case of Subordinated Notes, Senior Non-Preferred Notes or Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms). Potential investors should consider reinvestment risk in light of other investments available at that time.

8.2 Redemption for Taxation Reasons

The Issuer will be entitled to redeem the Notes early if, as a result of a Tax Law Change (as defined in Condition 3(e) (*Redemption upon occurrence of a Tax Event*)), it becomes obliged to pay additional amounts or (where "Tax Deductibility Event" is specified as applicable in the relevant Final Terms) it can no longer deduct payments in respect of the Notes for Belgian income tax purposes. On the occurrence of any such Tax Event (as defined in Condition 3(e) (*Redemption upon occurrence of a Tax Event*)), the Issuer may at its option (but subject to certain conditions, including, in the case of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms), Senior Non-Preferred Notes or Subordinated Notes, set out in Condition 3(h) (*Conditions to redemption, repurchase and purchase*)) redeem all, but not some only, of any relevant Series of Notes at the applicable Tax Event Redemption Amount (as defined in Condition 3(e) (*Redemption upon occurrence of a Tax Event*)) together with any accrued but unpaid interest up to (but excluding) the date fixed for redemption.

The redemption of the Notes upon the occurrence of a Tax Event, or the (perceived) prospect of such redemption, could have a material adverse effect on the value of the Notes.

8.3 Redemption of certain Senior Preferred Notes and of Senior Non-Preferred Notes upon the occurrence of a MREL Disqualification Event

If at any time a MREL Disqualification Event occurs in relation to any Series of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms) or any Series of Senior Non-Preferred Notes and the relevant Final Terms for such Series of Notes specify either "Redemption of Senior Preferred Notes upon the occurrence of a MREL Disqualification Event" or "Redemption of Senior Non-Preferred Notes upon the occurrence of a MREL Disqualification Event" as being applicable, the Issuer may redeem all (but not some only) of such outstanding Notes at the MREL Disqualification Event Early Redemption Amount (as defined in Condition 3(f) (*Redemption of Senior Preferred Notes and of Senior Non-Preferred Notes upon the occurrence of a MREL Disqualification Event*), and as further specified in the relevant Final Terms), together with accrued interest (if any) thereon subject to Condition 3(h) (*Conditions to redemption, repurchase and purchase*).

A MREL Disqualification Event shall be deemed to have occurred if at any time all or part of the outstanding nominal amount of the Senior Preferred Notes (where "Senior Preferred Notes Restricted

Terms" is specified as applicable in the relevant Final Terms) of a Series or of the Senior Non-Preferred Notes of a Series does not or will not qualify as MREL-Eligible Instruments under the Applicable MREL Regulations, either by reason of (i) a change in the Applicable MREL Regulations (or the application or official interpretation of such regulations) or (ii) the Applicable MREL Regulations becoming effective, except where such non-qualification (a) was reasonably foreseeable at the Issue Date of the last Tranche of Notes or (b) is due to the remaining maturity of such Notes being less than any period prescribed by the Applicable MREL Regulations or (c) is due to any restriction on the amount of liabilities that can count as MREL-Eligible Instruments or (d) is as a result of the relevant Notes being bought back by or on behalf of the Issuer or a buy back of the relevant Notes which is funded by or on behalf of the Issuer or (e) in the case of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" has been specified as applicable in the relevant Final Terms) is due to the relevant Senior Preferred Notes not meeting any requirement in relation to their ranking upon insolvency of the Issuer.

The redemption of Notes upon the occurrence of a MREL Disqualification Event, or the (perceived) prospect of such redemption, could have a material adverse effect on the value of such Notes.

8.4 Redemption of Subordinated Notes upon the occurrence of a Capital Disqualification Event

If at any time a Capital Disqualification Event occurs and is continuing in relation to any Series of Subordinated Notes and the relevant Final Terms for such Series of Subordinated Notes specify that the Issuer has an option to redeem such Subordinated Notes in such circumstances, the Issuer may redeem all (but not some only) of such outstanding Subordinated Notes at the Capital Disqualification Event Early Redemption Amount (as defined in Condition 3(d) (*Redemption upon the occurrence of a Capital Disqualification Event*), and as further specified in the relevant Final Terms), together with accrued and unpaid interest (if any) thereon subject to Condition 3(h) (*Conditions to redemption, repurchase and purchase*).

A Capital Disqualification Event shall be deemed to have occurred if the Issuer determines, in good faith, and after consultation with the NBB, ECB or any successor entity primarily responsible for the prudential supervision of the Issuer (the "**Lead Regulator**"), that by reason of a change (or a prospective change which the Lead Regulator considers to be sufficiently certain) to the regulatory classification of the Subordinated Notes, at any time after the Issue Date of the last Tranche of Notes, the Subordinated Notes cease (or would cease) to be included, in whole or in part, in or count towards the Tier 2 capital of the Issuer on a solo and/or consolidated basis (having done so before the Capital Disqualification Event occurring) (excluding, for these purposes, any non-recognition as a result of applicable regulatory amortisation in the five years immediately preceding maturity).

The redemption of the Subordinated Notes upon the occurrence of a Capital Disqualification Event, or the (perceived) prospect of such redemption, could have a material adverse effect on the value of the Subordinated Notes.

9. Issuer substitution

If Condition 7 (*Substitution of the Issuer*) is specified as applicable in the relevant Final Terms, the Issuer may at any time, without the consent of the Noteholders, substitute for itself as the principal debtor under the Notes a substitute company, provided that certain preconditions set out under Condition 7 (*Substitution of the Issuer*) of the Terms and Conditions of the Notes are fulfilled. Notwithstanding each of these preconditions being satisfied prior to any such substitution, there can be no guarantee that any such substitution will not have an adverse effect on the price of the Notes and subsequently lead to losses for the Noteholders if they sell the Notes.

10. There are no events of default (other than in the event of a dissolution or liquidation of the Issuer) allowing acceleration of the Senior Non-Preferred Notes or of the Subordinated Notes or

(if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms) the Senior Preferred Notes if certain events occur

The Terms and Conditions of the Notes in relation to the Senior Non-Preferred Notes, the Subordinated Notes and (if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms) the Senior Preferred Notes do not provide for events of default (other than in the event of a dissolution or liquidation of the Issuer as provided in Condition 11(a) (*Subordinated Notes, Senior Non-Preferred Notes and Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms – Events of Default:*)) allowing acceleration of the Senior Non-Preferred Notes, the Subordinated Notes or such Senior Preferred Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Subordinated Notes or, as the case may be, the Senior Non-Preferred Notes or such Senior Preferred Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Senior Non-Preferred Notes or the Subordinated Notes or such Senior Preferred Notes will be the institution of proceedings for the dissolution or liquidation of the Issuer in Belgium.

11. Substitution and variation relating to certain Senior Preferred Notes, to Senior Non-Preferred Notes and to Subordinated Notes

If specified as being applicable in the relevant Final Terms, then following the occurrence of a MREL Disqualification Event (as defined in the Terms and Conditions of the Notes) (in case of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms) and of Senior Non-Preferred Notes) or following the occurrence of a Capital Disqualification Event (as defined in the Terms and Conditions of the Notes) (in case of Subordinated Notes), the Issuer may, at its sole discretion and without the consent of the Noteholders, either substitute the relevant Notes then outstanding or vary their terms, so that they become or remain Qualifying Securities (see Condition 6(d) (*Certain Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes: Substitution and Variation*)). If the Issuer has not opted to substitute or vary the relevant Senior Preferred Notes, the Senior Non-Preferred Notes or as the case may be the Subordinated Notes in accordance with the Terms and Conditions of the Notes following a MREL Disqualification Event (in case of the relevant Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be) or a Capital Disqualification Event (in case of Subordinated Notes) (if specified as being applicable in the relevant Final Terms), the relevant Notes may be redeemed early (in whole but not in part) at the Issuer's sole option (subject to Condition 3(h) (*Conditions to redemption, repurchase and purchase*)) at a price that can be lower than the price at which the relevant Notes were purchased.

While the substitution or variation of the terms of such Notes, if any, will be the same for all holders of such Notes, some Noteholders may be more impacted than others. In addition, the tax and stamp duty consequences of holding any such substituted notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the relevant Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes prior to such substitution.

12. Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Moreover, the reference rate could be zero or even negative. Even if the relevant reference rate becomes negative, it will still remain the basis for the calculation of the interest rate, and a margin, if applicable, will be added to such negative interest rate.

13. Investors will not be able to calculate in advance their rate of return on Floating Rate Notes or CMS-Linked Interest Notes

A key difference between Floating Rate Notes or CMS-Linked Interest Notes, on the one hand, and Fixed Rate Notes, on the other, is that interest income on Floating Rate Notes and CMS-Linked Interest Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield for Floating Rate Notes or CMS-Linked Interest Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments bearing fixed interest rate.

14. Zero Coupon Notes are subject to greater price fluctuations than non-discounted notes

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of interest-bearing Notes because the discounted issue prices can be substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

15. Risks relating to Fixed to Floating Rate Notes or Floating to Fixed Rate Notes

Notes which are "Fixed to Floating Rate Notes" or "Floating to Fixed Rate Notes" may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market for, and the market value of, such Notes, since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed to Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing rates on its other Notes.

16. Risks relating to Resettable Notes

In the case of any Series of Resettable Notes, the rate of interest on such Resettable Notes will be reset by reference to the then prevailing Mid-Swap Rate, as adjusted for any applicable margin, on the reset dates specified in the relevant Final Terms. This is more particularly described in Condition 2(b) (*Rate of Interest on Resettable Notes*). The reset of the rate of interest in accordance with such provisions may affect the secondary market for and the market value of such Resettable Notes. Following any such reset of the rate of interest applicable to the Notes, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest on the relevant Resettable Notes may be lower than the Initial Rate of Interest, the First Reset Rate of Interest and/or any previous Subsequent Reset Rate of Interest.

17. Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

18. Foreign currency Notes expose investors to foreign-exchange risk as well as to Issuer risk

As purchasers of foreign currency Notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the Issuer or the type of Note being issued.

19. A holder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the Notes. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional — domestic or foreign — parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

20. Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of their home jurisdictions, the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Notes.

Potential investors are advised not to rely solely upon the tax summary contained in this Base Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. In addition, the tax treatment may change before the maturity, redemption or termination date of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. This risk factor should be read in connection with the taxation sections of this Base Prospectus.

21. No tax gross-up protection for Non-Eligible Investors

Potential investors should be aware that the Terms and Conditions of the Notes do not require the Issuer to gross-up the net payments received by a Noteholder in relation to the Notes with any amounts withheld or deducted for Belgian tax purposes if the Noteholder (i) was not, at the time of the issue of the Notes, an eligible investor within the meaning of Article 4 of the Royal Decree of 26 May 1994 on the deduction of withholding tax (an "**Eligible Investor**") or (ii) was, at the time of issue of the Notes, an Eligible Investor but, for reasons within the holder's control, ceased to be an Eligible Investor or, (iii) at any relevant time on or after the issue of the Notes, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to transactions with certain securities (each a "**Non-Eligible Investor**").

If the Issuer, the NBB, the Paying Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of Notes held by Non-Eligible Investors, the Issuer, the NBB, the Paying Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

The Notes may only be held by, and may only be transferred to, Eligible Investors holding their Notes in an exempt account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement Systems operated by the NBB.

22. No active trading market at time of issuance - the secondary market generally

Any Series of Notes will be new securities which may not be widely distributed and for which there is currently no active trading market (even where, in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application may be made for Notes issued under the Programme to be admitted to the Official List of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted, that an active trading market will develop or that any listing or admission to trading will be maintained. Notes may also be issued on an unlisted basis. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes, nor that such application for any listing or admission to trading will be maintained in respect of every Tranche of Notes.

23. The Notes are not covered by any government compensation or insurance scheme and do not have the benefit of any government guarantee

An investment in the Notes will not be covered by any compensation or insurance scheme of any government agency of Belgium or any other jurisdiction, and the Notes do not have the benefit of any government guarantee. The Notes are the Issuer's obligation only and Noteholders must solely look to the Issuer for the performance of the Issuer's obligations under the Notes. In the event of the Issuer's insolvency, a holder may lose all or some of its investment in the Notes.

The Notes are not covered by the "*Deposit and financial instrument protection scheme*" as established by the Act of 17 December 1998 on the establishment of a deposit and financial instrument protection scheme, nor are they covered by the "*Special protection funds for deposits and life insurances*", as established by article 3 of the Royal Decree of 14 November 2008 on measures to promote financial stability and, in particular, to set up a State guarantee for loans granted and other transactions in the context of financial stability, as regards the protection of deposits, life insurance and the capital of authorised cooperative societies. Accordingly, the Notes will not be repaid, recovered or refunded by the "*Deposit and financial instrument protection scheme*", nor by the "*Special protection funds for deposits and life insurances*".

24. Modifications, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including modifications to the Terms and Conditions and/or the substitution of the Issuer. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

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

25. Common Reporting Standard – Exchange of information

The exchange of information is governed by the Common Reporting Standard ("**CRS**"). On 29 October 2018, 104 jurisdictions signed the multilateral competent authority agreement ("**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. About 50 jurisdictions have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017 (early adopters).

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 include trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU and replaces the EC Council Directive 2003/48EC on the taxation of savings income (commonly referred to as the "**Savings Directive**") as from 1 January 2016. However, Austria has been allowed to exchange information under DAC2 as from 1 January 2017.

On 27 May 2015, Switzerland signed an agreement with the European Union in order to implement, as from 1 January 2017, an automatic exchange of financial information based on the CRS. This new agreement replaces the agreement on the taxation of savings that entered into force in 2005. As of 1 January 2017, financial institutions in the EU and Switzerland apply the due diligence procedures envisaged under the new agreement to identify customers who are reportable persons, i.e., for Switzerland residents of any EU Member State. This data was exchanged for the first time in autumn 2018.

The Belgian government has implemented DAC2, respectively the Common Reporting Standard, pursuant to the law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the "**Law of 16 December 2015**").

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other jurisdictions that have signed the MCAA, as of income year 2016 (first information exchange in 2017) for a first list of 18 countries and as of income year 2017 (first information exchange in 2018) for a second list of 44 countries.

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

26. Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). In December 2015, Estonia withdrew from the group of states willing to introduce the FTT.

The Commission's Proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or

VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax).

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

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The Issuer is a financial institution incorporated in Belgium and therefore financial institutions worldwide would be subject to the FTT when dealing in the Notes.

However, the FTT proposal remains subject to negotiation between the participating Member States. Therefore, it may be altered prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate and/or other participating Member States may decide to withdraw.

Prospective Noteholders are strongly advised to seek their own professional advice in relation to the FTT.

27. Noteholders may be subject to withholding tax under FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements.

The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies to their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respects to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Belgium has implemented FATCA in its domestic legislation by a law of 16 December 2015 ("*Wet tot regeling van de mededeling van inlichtingen betreffende financiële rekeningen, door de Belgische financiële instellingen en de FOD Financiën in het kader van automatische uitwisseling van inlichtingen op internationaal niveau en voor belastingdoeleinden*"). Under this law, Belgian financial institutions holding Notes for "US accountholders" and for "Non-US owned passive Non-Financial Foreign entities" are held to report financial information regarding the Notes (for example, income and gross proceeds) to the Belgian competent authority, who shall communicate the information to the US tax authorities.

28. Change of law

The Terms and Conditions of the Notes are governed by Belgian law.

No assurance can be given as to the impact of any possible judicial decision or change to Belgian law or administrative practice after the date of issue of the relevant Notes.

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

Any such changes in law may include, but are not limited to changes to statutory resolution and loss-absorption tools, which may affect the rights of holders of securities issued by the Issuer, including the Notes. Such tools may include the ability to write off sums otherwise payable on the Notes (see risk factor "*Regulatory risk*" on pages 18 to 24 of this Base Prospectus for further details). Any such change may have an adverse effect on a Noteholder, including that the Notes may be redeemed before their due date or written off in converted into other securities, their liquidity may decrease and/or the tax treatment of amounts payable to or receivable by an affected Noteholder may be less favourable than otherwise expected by such Noteholder.

29. Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency (as specified in the relevant Final Terms). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or the Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the equivalent yield on the Notes in the Investor's Currency, (ii) the equivalent value of the principal payable on the Notes in the Investor's Currency and (iii) the equivalent market value of the Notes in the Investor's Currency.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

30. Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained

At the date of this Base Prospectus, the Senior Preferred Notes with a maturity of one year or more are expected to be rated A-, the Senior Non-Preferred Notes are expected to be rated BBB, and the Subordinated Notes are expected to be rated BBB-, in each case by S&P Global Ratings, acting through S&P Global Ratings Europe Limited, France Branch ("**Standard & Poor's**"). Other independent credit rating agencies could decide to assign credit ratings to the Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case maybe, has not been withdrawn or suspended). The list of registered and certified credit rating agencies published by ESMA on its website in

accordance with the CRA Regulation is not conclusive evidence of the status of the relevant credit rating agency included in such list, as there may be delays between certain supervisory measures taken against the relevant credit rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings will be disclosed in the relevant Final Terms.

There is no guarantee that any ratings will be assigned or maintained. The ratings may furthermore not reflect the potential impact of all risks related to structure, market and additional factors discussed above, and other factors (including a change of control affecting the Issuer) that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the relevant rating agency at any time. Any adverse change in the applicable credit rating or the assignment of an unfavourable rating by a rating agency could adversely affect the trading price for the Notes.

31. Reliance on the procedures of the Securities Settlement System, Euroclear Bank, Clearstream, SIX SIS and Monte Titoli for transfer, payment and communication with the Issuer

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

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

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

A Noteholder must rely on the procedures of the Securities Settlement System, Euroclear, Clearstream, SIX SIS and Monte Titoli to receive payments under the Notes. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the Securities Settlement System.

32. No Paying Agent is required to segregate amounts received by it in respect of Notes cleared through the Securities Settlement System

The Agency Agreement (as defined in the Terms and Conditions of the Notes) provides that the Paying Agent (as defined in the Terms and Conditions of the Notes) will debit the relevant account of the Issuer and use such funds to make payment to the Noteholders.

The Agency Agreement also provides that the Paying Agent will, after receipt by it of the relevant amounts, pay to the Noteholder, directly or through the Securities Settlement System, any amounts due in respect of the Notes. However, no Paying Agent is required to segregate any such amounts received by it in respect of the Notes, and in the event that such Paying Agent were subject to insolvency proceedings at any time when it held any such amounts, the Issuer would be required to claim such amounts from such Paying Agent in accordance with applicable insolvency laws and may not be able to recover all or part of such amounts. This may impact the Issuer's ability to meet its obligations under the Notes.

33. No Agent assumes any fiduciary or other obligations to the Noteholders

Each Agent appointed in respect of Notes will act in its respective capacity in accordance with the Terms and Conditions and the Agency Agreement in good faith. However, Noteholders should be aware that no Agent assumes any fiduciary or other obligations to the Noteholders and, in particular, is not obliged to make determinations which protect or further strengthen the interests of the Noteholders.

Each Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties.

34. The qualification of certain Senior Preferred Notes and of the Senior Non-Preferred Notes as MREL-Eligible Instruments is subject to uncertainty

34.1 Redemption of certain Senior Preferred Notes and of Senior Non-Preferred Notes upon the occurrence of a MREL Disqualification Event.

The European Commission and the Council of the European Union has recently proposed directives and regulations which are intended to amend the BRRD and modify the requirements for MREL eligibility (the "**MREL Proposals**"). While the Issuer believes that the terms and conditions of the Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms) and of Senior Non-Preferred Notes are consistent with the MREL Proposals, these proposals have not yet been finalised or interpreted and when finally adopted the final Applicable MREL Regulations may be different from those set forth in the MREL Proposals.

Because of the uncertainty surrounding the substance of the MREL Proposals and any potential changes to the regulations giving effect to MREL, the Issuer cannot provide any assurance that such Senior Preferred Notes or Senior Non-Preferred Notes will ultimately be or remain MREL-Eligible Instruments. If they are not MREL-Eligible Instruments (or if they initially are MREL-Eligible Instruments and subsequently become ineligible due to a change in Applicable MREL Regulations), then a MREL Disqualification Event may occur (and the Issuer may redeem such Senior Preferred Notes and Senior Non-Preferred Notes or make use of the substitution and variation rights).

35. Additional Risks relating to Senior Non-Preferred Notes

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

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

There is no restriction on the incurrence by the Issuer of additional senior preferred obligations. As a consequence, if the Issuer enters into liquidation proceedings, it will be required to pay substantial amounts of senior preferred obligations before any payment is made in respect of the Senior Non-Preferred Notes.

In addition, if the Issuer enters into resolution, its eligible liabilities (including the Senior Non-Preferred Notes and certain Senior Preferred Notes) will be subject to bail-in, meaning potential write-

down or conversion into equity securities or other instruments, in the order of priority that would apply in liquidation proceedings. Because senior non-preferred obligations such as the Senior Non-Preferred Notes rank junior to senior preferred obligations, the Senior Non-Preferred Notes would be written down or converted in full before any of the Issuer's senior preferred obligations were written down or converted. See "*Bail-in of senior debt and other eligible liabilities, including the Senior Notes*".

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

35.2 Senior non-preferred securities are new types of instruments for which there is limited trading history

Prior to the entry into force of the Senior Non-Preferred Law, Belgian issuers were not able to issue securities with a senior non-preferred ranking. Accordingly, there is limited trading history for securities of Belgian banks with this ranking. Market participants, including credit rating agencies, are in the initial stages of evaluating the risks associated with senior non-preferred obligations. The credit ratings assigned to senior non-preferred securities such as the Senior Non-Preferred Notes may change as the rating agencies refine their approaches, and the value of such securities may be particularly volatile as the market becomes more familiar with them. It is possible that, over time, the credit ratings and value of senior non-preferred securities such as the Senior Non-Preferred Notes will be lower than those expected by investors at the time of issuance of the Senior Non-Preferred Notes. If so, Noteholders may incur losses in respect of their investments in the Senior Non-Preferred Notes.

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

The Terms and Conditions of the Notes place no restrictions on the amount of debt that the Issuer may issue that ranks senior to the Senior Non-Preferred Notes, or on the amount of securities it may issue that rank *pari passu* with the Senior Non-Preferred Notes. The issue of any such debt or securities may impact the amount recoverable by Noteholders upon resolution or liquidation of the Issuer. In addition, the Senior Non-Preferred Notes do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including those of the Senior Non-Preferred Notes.

36. Risks related to the reform and regulation of Benchmarks

36.1 The regulation and reform of Benchmarks may adversely affect the value of Notes linked to or referencing such Benchmark

Reference Rates and indices, including interest rate benchmarks, such as the Euro Interbank Offered Rate ("**EURIBOR**") and the London Interbank Offered Rate ("**LIBOR**"), which are deemed to be 'benchmarks' ("**Benchmarks**") and which may be used to determine the amounts payable under financial instruments or the value of such financial instruments, have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated.

Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"), entered into force on 1 January 2018 (with the exception of certain provisions specified in Article 59 that have applied since 30 June 2016 and Article 56 which has applied since 3 July 2016), applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the European Union. Among other things, the Benchmark Regulation (i) requires Benchmark administrators to be authorised or registered (or, if based outside the European Union, to be subject to an equivalent regime or

otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of Benchmarks of administrators that are not authorised or registered (or, if based outside the European Union, not deemed equivalent or recognised or endorsed). Pursuant to the Benchmark Regulation, an index provider needs to apply for authorisation or registration by 1 January 2020. It may, however, continue to provide an existing Benchmark (i.e. a Benchmark existing on or before 1 January 2018) until 1 January 2020 or, where an application for authorisation or registration is submitted, unless and until the authorisation or registration is refused.

Pursuant to Article 28.2 of the Benchmark Regulation, the Issuer must produce and maintain robust written plans setting out the actions that it would take in the event that a Benchmark materially changes or ceases to be provided. Reference is made to Condition 2(o) (*Benchmark replacement*) for the fall-back options in relation to the Notes.

The Benchmark Regulation could adversely affect any Notes referencing a Benchmark, in particular if the methodology or other terms of the relevant Benchmark are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Benchmark. A Benchmark could also be discontinued as a result of the failure by a Benchmark administrator to be authorised or registered (or, if based outside the European Union, to be deemed equivalent or recognised or otherwise endorsed).

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain Benchmarks: (i) discouraging market participants from continuing to administer or contribute to the Benchmark; (ii) triggering changes in the rules or methodologies used in the Benchmark or (iii) leading to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value or and return on any Notes linked to or referencing a Benchmark.

Investors should consult their own independent advisers and make their own assessment about potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to Notes linked to or referencing a Benchmark.

36.2 *Future unavailability or discontinuance of certain Benchmark rates (for example, EURIBOR or LIBOR) may adversely affect the value of a return on Notes which are linked to or reference a such Benchmark rate*

In March 2017, EMMI published a position paper setting out the legal grounds for certain proposed reforms to EURIBOR. The proposed reforms seek to clarify the EURIBOR specification, to align the current methodology with the Benchmark Regulation, the IOSCO Principles (i.e. nineteen principles which are to apply to Benchmarks used in financial markets as published by the Board of the International Organisation of Securities Commissions in July 2013) and other regulatory recommendations and to adapt the methodology to better reflect current market conditions. EMMI is more specifically aiming to evolve the current quote based methodology to a transaction based methodology in order to better reflect the underlying interest that it intends to measure and adapt to the prevailing market conditions. In particular, it is contemplated that it will be anchored on actual market transaction input data whenever available, and on other funding sources if transaction data are insufficient. In a statement published in January 2018, EMMI indicated that it aims to launch the hybrid methodology for EURIBOR by the fourth quarter of 2019 at the latest, in accordance with the transitional period provided for by the Benchmark Regulation. On 29 March 2018, EMMI launched its first stakeholder consultation on the hybrid methodology. The consultation closed on 15 May 2018 and was followed by an in-depth testing of the proposed methodology under live conditions from May to

August 2018. On 17 October 2018, EMMI launched a second stakeholder consultation on a hybrid methodology for EURIBOR. This second consultation closed on 30 November 2018. EMMI intends to publish a summary of the feedback received and a thorough view of the final methodological blueprint, including a concrete timeline and next steps, by early 2019. EMMI expects to file for authorisation from the Belgian Financial Services and Markets Authority by the second quarter of 2019. Subsequently, EMMI will transition panel banks from the current EURIBOR methodology to the hybrid methodology, with a view to finishing the process before the end of 2019.

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards.

On 21 September 2017, the ECB, the European Commission, ESMA and the Belgian Financial Services and Markets Authority announced that they would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current Benchmarks used in a variety of financial instruments and contracts in the euro area. Furthermore, the ECB announced that it will start providing an overnight unsecured index before 2020. On 13 September 2018, the working group announced its recommendation that the Euro short-term rate ("**ESTER**") be used as the risk-free rate for the euro area. ESTER will reflect the wholesale euro unsecured overnight borrowing costs of euro area banks and will complement existing benchmark rates produced by the private sector, serving as a backstop reference rate. The ECB has stated that it will begin publishing ESTER by October 2019. The above-mentioned working group is now exploring possible approaches for ensuring a smooth transition to this rate. A first meeting of the working group took place on 9 November 2018.

The reforms described above or any other changes may cause a Benchmark to perform differently than in the past or to be discontinued, may create disincentives for market participants to continue to administer or participate in certain Benchmarks or may have other consequences which cannot be predicted.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or the Benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of EURIBOR, LIBOR or any other Benchmark, changes in the manner of administration of any Benchmark, or any other Benchmark Event could require or result in an adjustment to the interest calculation and related provisions of the Terms and Conditions as well as the Agency Agreement (as further described in Condition 2(o) (Benchmark replacement)), and could result in adverse consequences to holders of any Notes linked to such Benchmark (including Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes whose interest rates are linked to EURIBOR, LIBOR or any other Benchmark that is or may become the subject of reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of successor or alternative reference rates and as to potential changes to a Benchmark may adversely affect Notes which reference such Benchmark including the return on the relevant Notes and the trading market for them.

If "Benchmark Replacement" is specified as applicable in the relevant Final Terms, the Terms and Conditions of the Notes provide for certain fall-back arrangements in the event that a published Benchmark, such as EURIBOR or LIBOR (including any page on which such Benchmark may be published (or any successor service)), becomes unavailable, including the possibility that the Rate of Interest could be set by the Issuer (without a requirement for the consent or approval of the Noteholders) by reference to a Successor Rate or an Alternative Rate and that such Successor Rate or

Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Benchmark. Pursuant to Condition 2(o), the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser before determining such Successor Rate or Alternative Rate. Where no Successor Rate or Alternative Rate can be determined pursuant to Condition 2(o), or where "Benchmark Replacement" is not specified as applicable in the relevant Final Terms, the ultimate fall-back of interest for a particular Interest Period or Reset Period (as applicable) may result in the Rate of Interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes (as applicable). In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser (if applicable), the relevant fall-back provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of, and return on, any Notes to which the fall-back arrangements are applicable. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could adversely affect the ability of the Issuer to meet its obligations under the Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes (as applicable) or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes (as applicable).

Investors should consider these matters when making their investment decision with respect to the relevant Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes.

OVERVIEW OF THE PROGRAMME

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Base Prospectus (including any documents incorporated by reference) and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. Words and expressions defined or used in "Terms and Conditions of the Notes" shall have the same meaning in this overview.

Issuer	Argenta Spaarbank NV ("**Argenta Spaarbank**", "**ASPA**" and the "**Issuer**").
Information relating to the Issuer	The Issuer is a credit institution incorporated as a limited liability company (*naamloze vennootschap / société anonyme*) of unlimited duration incorporated under Belgian law, having its registered office at Belgiëlei 49-53, 2018 Antwerp, Belgium, and registered with the Crossroads Bank for Enterprises under number 0404.453.574, *RPR/RPM* Antwerp, division Antwerp.
Parent	Argenta Bank- en Verzekeringsgroep NV, a mixed financial holding company pursuant to article 3, 39° of the Belgian Banking Law, incorporated as a limited liability company under the laws of Belgium, having its registered office at Belgiëlei 49-53, 2018 Antwerp, Belgium, and registered with the Crossroads Bank for Enterprises under number 0475.525.276, *RPR/RPM* Antwerp, division Antwerp.
Information relating to the Programme Size	EUR 3,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Arranger	Morgan Stanley & Co. International plc
Dealers	ABN AMRO Bank N.V. BNP Paribas Morgan Stanley & Co. International plc
Paying Agent	BNP Paribas Securities Services, Brussels branch, or any other entity appointed from time to time by the Issuer as the Paying Agent or an additional Paying Agent pursuant to the terms of the Agency Agreement, either in respect of the Programme, generally, or in respect of a particular issuance of Notes, in which case a different Paying Agent may be specified in the relevant Final Terms.
Agency Agreement	The agency agreement between the Issuer, the Paying Agent and the Listing Agent dated 18 January 2019.
Method of Issue	Notes will be issued on a syndicated or non-syndicated basis. The

	Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the Final Terms.
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount.
Form of Notes	Notes will be issued in dematerialised form in accordance with Article 468 *et seq.* of the Belgian Companies Code via the book-entry system maintained in the records of the Securities Settlement System (defined below).
Clearing Systems	The settlement system operated by the National Bank of Belgium or any successor thereto (the "**Securities Settlement System**").
	Access to the Securities Settlement System is available through those of the participants in the Securities Settlement System whose membership extends to securities such as the Notes. Participants in the Securities Settlement System include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear Bank SA/NV ("**Euroclear Bank**"), Clearstream Banking Frankfurt ("**Clearstream**"), SIX SIS AG ("**SIX SIS**") and Monte Titoli S.p.A. ("**Monte Titoli**"). Accordingly, the Notes will be eligible to clear through, and therefore accepted by, Euroclear Bank, Clearstream, SIX SIS and Monte Titoli and investors can hold their interests in the Notes within securities accounts in Euroclear Bank, Clearstream, SIX SIS and Monte Titoli.
Initial Delivery of Notes	Notes will be credited to the accounts held with the Securities Settlement System by Euroclear Bank, Clearstream, SIX SIS, Monte Titoli or any other Securities Settlement System participants.
Currencies	Subject to compliance with all relevant laws, regulations and directives (including the rules of the Securities Settlement System), Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
Maturities	Subject to compliance with all relevant laws, regulations and directives, each Note will have the maturity as specified in the relevant Final Terms.
	Unless otherwise permitted, Subordinated Notes constituting Tier 2 Capital will have a minimum maturity of five years.
	Under the Luxembourg Law on Prospectuses, which implements

	the Prospectus Directive, prospectuses relating to money market instruments having a maturity on issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such law.
Denomination	Notes will be in such denominations as may be specified in the relevant Final Terms. The minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currencies as at the date of issue of the relevant Notes).
Fixed Rate Notes	Fixed Rate Notes will bear interest at a fixed rate payable in arrears on the date or dates in each year specified in the relevant Final Terms. If an indication of yield is included in the relevant Final Terms, the yield of each Tranche of Fixed Rate Notes will be calculated on the basis of the relevant issue price at the relevant issue date. It is not an indication of future yield.
Resettable Notes	Interest will be payable in arrears on the dates specified in the Final Terms at the initial rate specified in the Final Terms, and thereafter the rate may be reset with respect to a specified time period by reference to the prevailing Mid-Swap Rate. The rate of interest may be reset on more than one occasion.
Floating Rate Notes	Floating Rate Notes will bear interest set separately for each Series as follows: on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined below), as published by the International Swaps and Derivatives Association, Inc.; or by reference to EURIBOR or LIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin as specified in the relevant Final Terms. Interest Periods will be specified in the relevant Final Terms.
CMS-Linked Interest Notes:	CMS-Linked Interest Notes will bear interest set separately for each Series by reference to a Constant Maturity Swap (CMS) rate, or the spread between two such rates, as may be specified in the relevant Final Terms, as adjusted for any applicable margin and/or leverage as specified in the relevant Final Terms.
Maximum or Minimum Rates of Interest	Floating Rate Notes and CMS-Linked Interest Notes may specify a Maximum Rate of Interest or a Minimum Rate of Interest, or both, as being applicable in the relevant Final Terms. If a Maximum Rate of Interest is specified, then the interest payable will in no case be higher than such rate and if a Minimum Rate of Interest is specified, then the interest payable will in no case be lower than such rate.

Fixed to Floating Rate Notes and Floating to Fixed Rate Notes	Notes may be issued under the Programme which bear a fixed rate of interest in respect of certain Interest Periods and a floating rate of interest in respect of other Interest Periods, as specified in the relevant Final Terms.
Zero Coupon Notes	Zero Coupon Notes will be issued at a price which is at a discount to their principal amount, and will not bear interest.
Redemption	Notes will be redeemed either (i) at 100% per Calculation Amount, or (ii) at an amount per Calculation Amount specified in the relevant Final Terms, provided that the amount so specified shall be at least 100% per Calculation Amount.
Optional Redemption	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer, and if so, the terms applicable to such redemption shall be as set out in the Terms and Conditions of such Notes, in accordance with the elections made in the relevant Final Terms.
Early Redemption	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See "Terms and Conditions of the Notes – Condition 3(e)". If specified in the relevant Final Terms, Notes may also be subject to a mandatory early redemption (i) in respect of Subordinated Notes only, upon the occurrence of a Capital Disqualification Event (see "Terms and Conditions of the Notes – Condition 3(d)), or (ii) in respect of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" and "Redemption of Senior Preferred Notes upon the occurrence of a MREL Disqualification Event" is specified as applicable in the relevant Final Terms) and of Senior Non-Preferred Notes (where "Redemption of Senior Non-Preferred Notes upon the occurrence of a MREL Disqualification Event" is specified as applicable in the relevant Final Terms), upon the occurrence of a MREL Disqualification Event (see "Terms and Conditions of the Notes – Condition 3(f)).
Status of Notes	The Notes may be either senior notes (the "Senior Notes") or subordinated notes (the "Subordinated Notes") and the Senior Notes may be either senior preferred notes (the "Senior Preferred Notes") or senior non-preferred notes ("Senior Non-Preferred Notes"), in each case as specified in the relevant Final Terms. *Senior Preferred Notes:* The Senior Preferred Notes will be direct, unconditional, senior and unsecured obligations of the Issuer and rank at all times (i) *pari passu*, without any preference among themselves, and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, which will fall or be expressed to fall within the category of obligations described in article 389/1, 1° of the Belgian Banking Law, but, in the event of insolvency, only to

the extent permitted by laws relating to creditors' rights, (ii) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking *pari passu* with or junior to Senior Non-Preferred Obligations and (iii) junior to all present and future claims as may be preferred by laws of general application.

Subject to applicable law, if any judgment is rendered by any competent court declaring the judicial liquidation (*gerechtelijke vereffening/procédure de liquidation*) of the Issuer, the Noteholders will have a right to payment under the Senior Preferred Notes (i) only after, and subject to, payment in full of Noteholders of present and future claims as may be preferred by laws of general application and (ii) subject to such payment in full, in priority to holders of Senior Non-Preferred Obligations and other present and future claims otherwise ranking junior to Senior Preferred Notes.

Where:

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

Senior Non-Preferred Notes:

The Senior Non-Preferred Notes are issued pursuant to the provisions of article 389/1, 2° of the Belgian Banking Law. The Senior Non-Preferred Notes will be direct, unconditional, senior and unsecured obligations of the Issuer and rank at all times (i) *pari passu*, without any preference among themselves, and with other Senior Non-Preferred Obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights, (ii) senior to Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations and (iii) junior to claims of (a) any unsubordinated creditors of the Issuer that are not creditors of Senior Non-Preferred Obligations of the Issuer, and (b) all other present and future claims as may be preferred by laws of general application or otherwise ranking in priority to Senior Non-Preferred Obligations.

Subject to applicable law, if any judgment is rendered by any competent court declaring the judicial liquidation (*gerechtelijke vereffening/procédure de liquidation*) of the Issuer, the Noteholders will have a right to payment under the Senior Non-Preferred Notes (i) only after, and subject to, payment in full of holders of Senior Preferred Notes and other present and future claims benefiting from statutory preferences or otherwise ranking in priority to Senior Non-Preferred Obligations and (ii) subject to such payment in full, in priority to holders of Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations.

It is the intention of the Issuer that the Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms) and the Senior Non-Preferred Notes shall be treated, for regulatory purposes, as MREL Eligible Instruments under the Applicable MREL Regulations.

Where: "Applicable MREL Regulations" means, at any time, the laws, regulations, requirements, guidelines and policies giving effect to MREL.

"MREL" means the "minimum requirement for own funds and eligible liabilities" for banking institutions under the Directive 2014/59/EU of the European Parliament and of the Council, establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms, as set in accordance with Article 45 of such Directive (as transposed in article 267/3 of the Belgian Banking Law) and Commission Delegated Regulation (C(2016) 2976 final) of 23 May 2016, or any successor requirement.

"MREL Eligible Instrument" means an instrument that is eligible to be counted towards the MREL of the Issuer in accordance with Applicable MREL Regulations.

Subordinated Notes:

The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. In the event of dissolution, liquidation or winding-up of the Issuer by reason of a bankruptcy ("*faillissement/faillite*") or otherwise (except, in any such case, a solvent liquidation, dissolution or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer or the substitution in place of the Issuer of a successor in business of the Issuer), the rights and claims of the holders of Subordinated Notes against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the Subordinated Notes shall, subject to any obligations which are mandatorily preferred by law, rank:

(A) junior to the claims of all Senior Creditors of the Issuer;

(B) *pari passu* without any preference among themselves and *pari passu* with (a) the claims of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital of the Issuer and (b) any obligation which ranks or is expressed to rank *pari passu* with the Subordinated Notes; and

(C) senior and in priority to (a) the claims of holders of all classes of share and other equity capital (including

preference shares (if any)) of the Issuer, (b) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, and (c) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes

Where:

"Senior Creditors" means creditors of the Issuer whose claims are in respect of obligations which are unsubordinated or which otherwise rank, or are expressed to rank, senior to obligations which constitute Tier 2 Capital of the Issuer (including the Subordinated Notes).

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms), Senior Non-Preferred Notes and the Subordinated Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of such Note, be deemed to have waived all such rights of set-off.

Cross Default	None
Negative Pledge	None
Ratings	The following ratings have been assigned by Standard & Poor's to Notes to be issued under the Programme: A- in respect of Senior Preferred Notes with a maturity of one year or more, BBB in respect of Senior Non-Preferred Notes and BBB- in respect of Subordinated Notes. A rating in respect of Senior Preferred Notes with a maturity of less than one year will be obtained on a case by case basis at the time of issuance. Standard & Poor's is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA's website (http://www.esma.europa.eu/) (on or about the date of this Base Prospectus). Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to Notes already issued under the Programme. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Withholding Tax	All payments of principal and interest in respect of the Notes will

	be made free and clear of withholding taxes of Belgium unless the withholding is required by law. In such event, the Issuer shall, subject to certain exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in "Terms and Conditions of the Notes – Taxation", "Common Reporting Standard – Exchange of information" and "Belgian Taxation on the Notes".
Governing Law	Belgian law.
Listing and Admission to Trading	Application has been made for Notes of any Series to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (where it is specified in the relevant Final Terms that such Series of Notes is to be listed and admitted to trading on such market). The CSSF, in its capacity as the competent authority under the Luxembourg Law on Prospectuses, has approved this Base Prospectus as a base prospectus for the purposes of the Prospectus Directive. Such approval relates only to the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.
Selling Restrictions	United States, European Economic Area, United Kingdom, Belgium, and Japan. See "Subscription and Sale". The debt securities of the Issuer are eligible for Category 2 (as specified in the relevant Final Terms) for the purposes of Regulation S under the Securities Act. The Notes may not be addressed to EEA Retail Investors. See "Subscription and Sale". The Notes are not intended to be offered sold, or otherwise made available to, and will not be offered, sold or otherwise made available, in Belgium, to "consumers" (*consommateurs/ consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van Economisch Recht*). The Notes may only be held by, and may only be transferred to, Eligible Investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax holding their Notes in an exempt account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement Systems operated by the NBB.
Use of Proceeds	The net proceeds of the issue of the Notes will be used by the

Issuer for its general corporate purposes.

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) the audited consolidated accounts of the Issuer for the years ended 31 December 2016 and 31 December 2017, including the reports of the statutory auditors in respect thereof which are incorporated by reference in this Base Prospectus; and

(b) the unaudited consolidated interim financial statements for the half-year ended 30 June 2018, which are incorporated by reference in this Base Prospectus.

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

Copies of all documents incorporated by reference in this Base Prospectus may be obtained without charge from the offices of the Issuer, and on the website of the Luxembourg Stock Exchange (www.bourse.lu/home).

The table below sets out the relevant page references for the (i) condensed consolidated balance sheet, (ii) condensed consolidated statement of income, (iii) condensed consolidated interim cash flow statement, (iv) audit report on the consolidated accounts, and (v) notes to the condensed consolidated interim financial statements as set out in the 2018 interim report and in the 2016 and 2017 annual reports of the Issuer.

Information contained in the documents incorporated by reference other than information listed in the table below does not form part of this Base Prospectus. The non-incorporated parts of such documents are not relevant for the investor or are covered elsewhere in this Base Prospectus.

	Consolidated interim financial statements 2018 **(English version)**
Condensed consolidated balance sheet	page 5
Condensed consolidated statement of income	page 7
Condensed consolidated interim cash flow statement	page 11
Audit report on the consolidated accounts	page 3
Notes to the condensed consolidated interim financial statements	page 13

	Consolidated financial statements 2016 **(English version)**	**Consolidated financial statements 2017** **(English version)**
Consolidated balance sheet	page 7	page 10
Consolidated statement of income	page 8	page 11
Consolidated cash flow statement	page 11	page 14
Audit report on the consolidated accounts	page 5	page 5
Notes to the consolidated financial statements	page 13	page 16

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a supplement in accordance with Article 13 of the Luxembourg Law on Prospectuses, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which, once approved by the CSSF in its capacity as the competent authority under the Luxembourg Law on Prospectuses, in respect of any subsequent issue of Notes to be listed and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a prospectus supplement in accordance with Article 13 of the Luxembourg Law on Prospectuses.

The Issuer has given an undertaking to the Dealers that if, at any time during the duration of the Programme, there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare a supplement (in accordance with Article 13 of the Luxembourg Law on Prospectuses) to this Base Prospectus or publish a new prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes, save for the paragraphs in italics that shall not form part of the Terms and Conditions of the Notes. To the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Series of Notes shall complete any information in this Base Prospectus.

References in these terms and conditions (the "**Terms and Conditions**") to "**Notes**" are to the Notes of one Series (as defined below) only, not to all Notes that may be issued under Argenta Spaarbank NV's Euro Medium Term Note Programme (the "**Programme**"). All capitalised terms which are not defined in these Terms and Conditions will have the meanings given to them or refer to information specified in Part A of the relevant Final Terms.

The Notes are issued subject to a paying, calculation and listing agency agreement dated on or about 18 January 2019 (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Agency Agreement**") between, amongst others, Argenta Spaarbank SA/NV ("**Argenta Spaarbank**" or the "**Issuer**"), BNP Paribas Securities Services, Brussels branch as paying agent (the "**Paying Agent**") and BNP Paribas Securities Services, Luxembourg branch as listing agent (the "**Listing Agent**"). The expressions "Paying Agent" and "Listing Agent" shall include any successor or other paying or listing agent appointed from time to time pursuant to the terms of the Agency Agreement. The calculation agent (if any) shall be specified in the relevant Final Terms and is referred to below as the "**Calculation Agent**". The Paying Agent, the Calculation Agent and the Listing Agent are together referred to as the "**Agents**" and each of them taken individually as an "**Agent**". The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the issue price and date of the first payment of interest thereon and the date from which interest starts to accrue.

In these Terms and Conditions, "**euro**", "**EUR**", and "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Copies of the Agency Agreement are available for inspection free of charge at the specified offices of the Paying Agent.

1. Form, Denomination and Title

The Notes are issued in dematerialised form in the Specified Denomination set out in the relevant Final Terms **provided that** in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

In these Terms and Conditions, "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State.

Notes are issued in dematerialised form in accordance with Article 468 and following of the Belgian companies code (*wetboek van vennootschappen/code des sociétés*) of 7 May 1999, as amended or

superseded (the "**Belgian Companies Code**") and cannot be physically delivered. The Notes will be represented exclusively via a book-entry system maintained in the records of the Securities Settlement System and will be credited to the accounts held with the Securities Settlement System by Euroclear Bank SA/NV ("**Euroclear Bank**"), Clearstream Banking Frankfurt ("**Clearstream**"), SIX SIS AG ("**SIX SIS**"), Monte Titoli S.p.A. ("**Monte Titoli**") or other Securities Settlement System participants for credit by Euroclear Bank, Clearstream, SIX SIS, Monte Titoli or other Securities Settlement System participants to the securities accounts of their subscribers and through other financial intermediaries which in turn hold the Notes through Euroclear, Clearstream, SIX SIS, Monte Titoli or other Securities Settlement participants. The Notes are accepted for clearance through the NBB System, and are accordingly subject to the applicable 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 (each as amended or re-enacted or as their application is modified by other provisions from time to time) and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the "**Securities Settlement System Regulations**"). The Notes cannot be physically delivered and may not be converted into bearer notes (*effecten aan toonder/ titres au porteur*).

In these Terms and Conditions, "**Securities Settlement System**" means the settlement system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto.

Transfers of Notes will be effected only through records maintained by the Securities Settlement System, Euroclear Bank, Clearstream, SIX SIS and Monte Titoli or other Securities Settlement System participants and in accordance with the applicable procedures of the Securities Settlement System, Euroclear Bank, Clearstream, SIX SIS and Monte Titoli or other Securities Settlement System participants. Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Noteholder.

Noteholders are entitled to exercise the rights they have, including voting rights, making requests, giving consents, and other associative rights (as defined for the purposes of Article 474 of the Belgian Companies Code) upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli or any other participant duly licenced in Belgium to keep dematerialised securities accounts showing such Noteholder's position in the Notes (or the position held by the financial institution through which such Noteholder's Notes are held with the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

In these Terms and Conditions and the relevant Final Terms, "**Noteholder**" and "**holder**" mean in respect of a Note, the person evidenced as holding the Note by the book-entry system maintained in the records of the NBB, or any of the other relevant clearing systems or financial intermediaries as set out above.

If, at any time, the Notes are transferred to any other clearing system which is not exclusively operated by the NBB (such clearing system an "**Alternative Clearing System**"), these Terms and Conditions shall apply *mutatis mutandis* in respect of such Notes.

2. Interest and Other Calculations

The Notes may be Fixed Rate Notes, Resettable Notes, Floating Rate Notes, CMS-Linked Interest Notes or Zero Coupon Notes, or any combination of the foregoing, depending on the Interest Basis which is specified in the relevant Final Terms.

(a) Rate of Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 2(i).

(b) Rate of Interest on Resettable Notes

Each Resettable Note bears interest on its outstanding principal amount:

(i) from and including the Interest Commencement Date to but excluding the First Resettable Note Reset Date at the rate per annum (expressed as a percentage) equal to the Initial Rate of Interest;

(ii) at the First Reset Rate of Interest from and including the First Resettable Note Reset Date, to but excluding:

(A) the Second Resettable Note Reset Date, if such a "Second Resettable Note Reset Date" is specified in the relevant Final Terms; or

(B) the Maturity Date, if no such "Second Resettable Note Reset Date" is specified in the relevant Final Terms; and

(iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest in respect of such Subsequent Reset Period,

such interest being payable in arrear on each Resettable Note Interest Payment Date.

The amount of interest payable shall, in each case, be determined in accordance with Condition 2(i).

Save as otherwise provided herein, the provisions applicable to Fixed Rate Notes shall apply to Resettable Notes.

(c) Rate of Interest on Floating Rate Notes or CMS-Linked Interest Notes

(i) **General.** Each Floating Rate Note and CMS-Linked Interest Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in accordance with the provisions below relating to either ISDA Determination or Screen Rate Determination, as specified in the relevant Final Terms. The Rate of Interest in respect of CMS-Linked Interest Notes shall be determined in accordance with Condition 2(c)(iv) below. The amount of interest payable shall, in each case, be determined in accordance with Condition 2(i).

(ii) **ISDA Determination (Notes other than CMS-Linked Interest Notes).** Where "ISDA Determination" is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (ii), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified in the relevant Final Terms;

(B) the Designated Maturity is as specified in the relevant Final Terms; and

(C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (ii), "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(iii) **Screen Rate Determination (Notes other than CMS-Linked Interest Notes).** In relation to Notes other than CMS-Linked Interest Notes, where "Screen Rate Determination" is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided in Condition 2(h) and Condition 2(o) below, be either:

(A) the offered quotation; or

(B) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations. For the purposes of the foregoing:

(x) if the Relevant Screen Page is not available or if sub-paragraph (iii)(A) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (iii)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the Relevant Time, subject as provided below, the Issuer shall request, or shall procure a third party to request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(y) if paragraph (x) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to the Calculation Agent by the Reference Banks or any two or more of them, at which such

banks were offered, at the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are, in the opinion of the Issuer, suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be that determined as at the last preceding Interest Determination Date (or if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date) or (in the case of the first Interest Accrual Period to which a floating Rate of Interest applies under Fixed to Floating Rate Notes) the last observable rate for the Reference Rate which appeared on the Relevant Screen Page prior to the Interest Determination Date in question) (though substituting, in any such case, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest related to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) **CMS-Linked Interest Notes.** Where the Notes are specified in the relevant Final Terms to be "CMS-Linked Interest Notes", the Rate of Interest for each Interest Accrual Period will, subject as provided in Condition 2(h) and Condition 2(o) below, be determined as set out below according to which of the following Reference Rates is specified in the relevant Final Terms:

(A) where "**CMS Reference Rate**" is specified as the Reference Rate in the relevant Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

(B) where "**Leveraged CMS Reference Rate**" is specified as the Reference Rate in the relevant Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

[*Leverage x CMS Rate*] + *Margin*

(C) where "**CMS Reference Rate Spread**" is specified as the Reference Rate in the relevant Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

CMS Rate 1 – CMS Rate 2 + Margin

(D) where "**Leveraged CMS Reference Rate Spread**" is specified as the Reference Rate in the relevant Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

[Leverage x (CMS Rate 1 – CMS Rate 2)] + Margin

(v) **Margin, Minimum Rate of Interest, Maximum Rate of Interest.** The determination of the Rate of Interest pursuant to this Condition 2(c) above shall be subject to the following:

(A) In relation to Notes other than CMS-Linked Interest Notes, if any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rate of Interest for the specified Interest Accrual Periods, in the case of (y), by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject to (C) and (D) below, as applicable.

(B) In relation to Notes other than CMS-Linked Interest Notes, if any Leverage is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rate of Interest for the specified Interest Accrual Periods, in the case of (y), by multiplying the rate determined pursuant to Condition 2(c)(ii) or 2(c)(iii), as applicable, and the absolute value of such Leverage.

(C) If any Maximum Rate of Interest is specified in the relevant Final Terms, the Rate of Interest shall be the *lesser of* (i) the rate determined in accordance with Condition 2(c)(i), 2(c)(ii), 2(c)(iii) or 2(c)(iv), as applicable, *and* (ii) such Maximum Rate of Interest.

(D) If any Minimum Rate of Interest is specified in the relevant Final Terms, the Rate of Interest shall be the *greater of* (i) the rate determined in accordance with Condition 2(c)(i), 2(c)(ii), 2(c)(iii) or 2(c)(iv), as applicable, *and* (ii) such Minimum Rate of Interest.

(d) Change of Interest Basis - Rate of Interest on Fixed to Floating Rate Notes or Floating to Fixed Rate Notes

(i) **Fixed to Floating Rate Notes.** If the Notes are specified as "**Fixed to Floating Rate Notes**" in the relevant Final Terms, interest shall accrue and be payable on such Notes:

(A) with respect to the first Interest Accrual Period and such subsequent Interest Accrual Periods as are specified for this purpose in the relevant Final Terms at a fixed Rate of Interest in accordance with Condition 2(a) and the relevant Final Terms; and

(B) with respect to each Interest Accrual Period thereafter, at a floating Rate of Interest in accordance with Condition 2(c) and the relevant Final Terms.

(ii) **Floating to Fixed Rate Notes.** If the Notes are specified as "**Floating to Fixed Rate Notes**" in the relevant Final Terms, interest shall accrue and be payable on such Notes:

(A) with respect to the first Interest Accrual Period and such subsequent Interest Accrual Periods as are specified for this purpose in the relevant Final Terms at a floating Rate of Interest in accordance with Condition 2(c) and the relevant Final Terms; and

(B) with respect to each Interest Accrual Period thereafter, at a fixed Rate of Interest in accordance with Condition 2(a) and the relevant Final Terms.

(e) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Zero Coupon Note Redemption Amount (as further specified in Condition 3(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as set out in the relevant Final Terms).

(f) Accrual of Interest

Interest (if any) shall cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption, unless payment of principal is improperly withheld or refused on the due date thereof or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest (or, in the case of Resettable Notes, at the First Reset Rate of Interest or (if there is one) at the last Subsequent Reset Rate of Interest, as applicable) in the manner provided in this Condition 2 to the Relevant Date.

As used in these Terms and Conditions, the "**Relevant Date**" in respect of any payment means whichever is the later of (x) the date on which such payment first becomes due, and (y), (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of such moneys outstanding is paid or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that such payment will be made.

(g) Business Day Convention

If any date referred to in these Terms and Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(i) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day; or

(ii) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) except in the case of the Maturity Date, such date shall be brought forward to the immediately preceding Business Day, and (B) in the case of the Maturity Date, such date shall not be amended.

In relation to Fixed Rate Notes and Resettable Notes, the Business Day Convention applicable shall always be the Following Business Day Convention.

(h) Rounding

For the purposes of any calculations required pursuant to these Terms and Conditions (unless otherwise specified), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures shall be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up, save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen). For these purposes "**unit**" means, the lowest amount of such currency that is available as legal tender in the country of such currency.

(i) Calculations for Notes

The amount of interest payable on the Notes of each Series for any Interest Accrual Period shall be equal to the product of the Rate of Interest (or, in the case of Resettable Notes, the Initial Rate of Interest, the First Reset Rate of Interest or any Subsequent Rate of Interest), the aggregate outstanding nominal amount of the Notes of such Series, and the Day Count Fraction for such Interest Accrual Period. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(j) Fallback Provision for Resettable Notes

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, then subject to Condition 2(o), the Issuer shall request, or shall procure that a third party shall request, each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Relevant Time in the principal financial centre of the Specified Currency on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin with such sum converted as set out in the definition of First Reset Rate of Interest or Subsequent Reset Rate of Interest (as applicable), as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 2(j):

(i) in the case of the first Reset Determination Date only, the First Reset Rate of Interest shall be equal to the sum of:

(A) if "Initial Mid-Swap Rate Final Fallback" is specified in the relevant Final Terms as being applicable, (x) the Initial Mid-Swap Rate and (y) the First Margin (with such sum converted, if necessary, as set out in the definition of First Reset Rate of Interest);

(B) if "Reset Maturity Initial Mid-Swap Rate Final Fallback" is specified in the relevant Final Terms as being applicable, (x) the Reset Period Maturity Initial Mid-Swap Rate and (y) the First Margin (with such sum converted, if necessary, as set out in the definition of First Reset Rate of Interest); or

(C) if "Last Observable Mid-Swap Rate Final Fallback" is specified in the relevant Final Terms as being applicable, (x) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (y) the First Margin (with such sum converted, if necessary, as set out in the definition of First Reset Rate of Interest),

provided that (x) (in the case of an issue of Subordinated Notes) if the application of (i)(B) or (i)(C) could, in the determination of the Issuer, reasonably be expected to result in a change in the regulatory classification of the Notes giving rise to a Capital Disqualification Event (as defined in Condition 3(d)), or (y) (in the case of an issue of Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms or of Senior Non-Preferred Notes) if the application of (i)(B) or (i)(C) could, in the determination of the Issuer, reasonably be expected to prejudice the qualification of the relevant Series of Senior Preferred Notes or of Senior Non-Preferred Notes as MREL-Eligible Instruments (as defined in Condition 3(f)) or to result in the Lead Regulator and/or the Relevant Resolution Authority treating an Interest Payment Date or Resettable Note Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, then (i)(A) above will apply; or

(ii) in the case of any Reset Determination Date other than the first Reset Determination Date, the Subsequent Reset Rate of Interest shall be equal to the sum of:

(A) if "Subsequent Reset Rate Mid-Swap Rate Final Fallback" is specified in the relevant Final Terms as being applicable, (x) the Mid-Swap Rate determined on the last preceding Reset Determination Date and (y) the Subsequent Margin (with such sum converted, if necessary, as set out in the definition of Subsequent Reset Rate of Interest); or

(B) if "Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback" is specified in the relevant Final Terms as being applicable, (x) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (y) the Subsequent Margin (with such sum converted, if necessary, as set out in the definition of Subsequent Reset Rate of Interest), provided that (I) (in the case of an issue of Subordinated Notes) if the application of (ii)(B) could, in the determination of the Issuer, reasonably be expected to result in a change in the regulatory classification of the Notes giving rise to a Capital Disqualification Event (as defined in Condition 3(d)), or (II) (in the case of an issue of Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms or of Senior Non-Preferred Notes) if the application of (ii)(B), in the determination of the Issuer, could reasonably be expected to prejudice the qualification of the relevant Series of Senior Preferred Notes or of Senior Non-Preferred Notes as MREL-Eligible Instruments or to result in the Lead Regulator and/or the Relevant Resolution Authority treating an Interest Payment Date or Resettable Note Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date, then (ii)(A) above will apply,

all as determined by the Issuer or the Calculation Agent, as applicable, taking into consideration all available information that it in good faith deems relevant.

For the purposes of this Condition 2(j), "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

(k) Linear interpolation

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

For the purposes of this Condition 2(k), "**Designated Maturity**" means, (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and (b) in relation to ISDA Determination, the Designated Maturity specified in the relevant Final Terms.

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

The Calculation Agent shall, as soon as practicable and provided it has been enabled to perform any calculation required under these Conditions through the information to be provided by the Issuer or any third party appointed by the Issuer, on each date as the Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation (including, in the case of Resettable Notes, each Reset Determination Date), determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or Reset Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period or Reset Period and the relevant Interest Payment Date or Resettable Note Interest Payment Date and, if required to be calculated, the Redemption Amount to be notified to the Paying Agent, the Issuer, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period and/or Reset Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date, Resettable Note Interest Payment Date, Resettable Note Reset Date or Interest Period Date is subject to adjustment pursuant to Condition 2(g), the Interest Amounts and the Interest Payment Date or Resettable Note Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or Reset Period. If the Notes become due and payable under Condition 11, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance

with this Condition 2 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(m) Definitions

In these Terms and Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means (i) in relation to all Notes other than those denominated in euro, a day (other than a Saturday or Sunday) on which (A) commercial banks and foreign exchange markets settle payments in Belgium and (B) commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the currency in which the relevant Notes are denominated and (ii) in relation to Notes denominated in euro, a day (other than a Saturday or Sunday) (A) on which commercial banks and foreign exchange markets settle payments in Belgium, (B) on which the Securities Settlement System is operating and (C) (if a payment in euro is to be made on that day) which is a day on which the TARGET 2 System is operating (a "**TARGET Business Day**"), and in relation to both (i) and (ii) above, such other day as may be agreed between the Issuer and the relevant Dealer(s) or the Lead Manager on behalf of the relevant Dealers (as the case may be) and specified as an Interest Business Day Jurisdiction in the relevant Final Terms.

"**Calculation Amount**" means the amount by reference to which a Redemption Amount is calculated and is as specified in the relevant Final Terms.

"**CSD**" means a central securities depository as defined in Article 2, 1st paragraph, (1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.

"**CMS-Linked Interest Notes**" means Notes in respect of which the "Floating Rate Note / CMS-Linked Interest Note Provisions" of Part A of the Final Terms are specified as being applicable in the relevant Final Terms, and which are specified as being CMS-Linked Interest Notes in the relevant Final Terms.

"**CMS Rate**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate in the relevant Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided above , the CMS Rate shall be determined by the Calculation Agent in its sole and absolute discretion on a

commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**CMS Rate 1**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate 1 in the relevant Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 1 as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate 1 for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided above , the CMS Rate 1 shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**CMS Rate 2**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate 2 in the relevant Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 2 as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate 2 for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided above , the CMS Rate 2 shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual-ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1, is greater than 29, in which case D_2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case D_2 will be 30;

(vii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms,

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date specified in the relevant Final Terms or, if none is so specified, the relevant Interest Payment Date or the relevant Resettable Note Interest Payment Date or the Interest Commencement Date (as applicable).

"**Designated Maturity**" means the time period specified as such in the relevant Final Terms.

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Eurozone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor).

"**Eurozone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

"**First Margin**" means the margin specified as such in the relevant Final Terms.

"**First Reset Period**" means the period from (and including) the First Resettable Note Reset Date until (but excluding) the Second Resettable Note Reset Date, or if no such Second Resettable Note Reset Date is specified in the relevant Final Terms, the Maturity Date.

"**First Reset Rate of Interest**" means, subject to Condition 2(j) above, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate plus the First Margin (with such sum converted (if necessary) from a basis equivalent to the Fixed Leg Swap Payment Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be made by the Calculation Agent).

"**First Resettable Note Reset Date**" means the date specified as such in the relevant Final Terms.

"**Fixed Leg Swap Payment Frequency**" means the payment frequency specified as such in the relevant Final Terms.

"**Fixed Rate Notes**" means Notes in respect of which the "Fixed Rate Note Provisions" in Part A of the Final Terms are specified as being applicable in the relevant Final Terms.

"**Floating Rate Notes**" means Notes in respect of which the "Floating Rate Note / CMS-Linked Interest Note Provisions" of Part A of the Final Terms are specified as being applicable in the relevant Final Terms, and which are specified as being Floating Rate Notes in the relevant Final Terms.

"**Initial Rate of Interest**" means the rate of interest per annum specified as such in the relevant Final Terms.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable on the aggregate outstanding nominal amount of the Notes of a Series for that Interest Accrual Period and which, in the case of Fixed Rate Notes or Resettable Notes, shall mean the amount calculated in accordance with Condition 2(i); and

(ii) in respect of any other period, the amount of interest payable on the aggregate outstanding nominal amount of the Notes of a Series for that period, as calculated in accordance with Condition 2(i).

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as such in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Payment Date**" means each date specified as an Interest Payment Date(s) or Specified Interest Payment Date(s) in the relevant Final Terms or, if no Specified Interest Payment Date(s) is/are set out in the relevant Final Terms, each date which falls the number of months or other period set out in these Terms and Conditions or the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) and each successive period beginning on (and including) an Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) and ending on (but excluding) the next succeeding Interest Payment Date or Resettable Note Interest Payment Date (as the case may be).

"**Interest Period Date**" means each Interest Payment Date or Resettable Note Interest Payment Date unless otherwise specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes.

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

"**Leverage**" means the value or number specified as such in the relevant Final Terms.

"**LIBOR**" means, in respect of any specified currency and any specified period, the London interbank offered rate for that currency and period displayed on the appropriate Reuters Screen page on the information service which publishes that rate.

"**Margin**" means the percentage rate specified as such in the relevant Final Terms, **provided that** (A) the Margin may be specified either (x) generally, or (y) in relation to one or more Interest Accrual Periods and (B) the Margin may be zero.

"**Maturity Date**" means the maturity date specified as such in the relevant Final Terms.

"**Maximum Rate of Interest**" means a percentage value specified as such in the relevant Final Terms.

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Payment Frequency specified in the relevant Final Terms during the relevant Reset Period (calculated on the basis of the Fixed Leg Swap Payment Frequency Day Count Fraction specified in the relevant Final Terms) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Resettable Note Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the basis of the Mid-Swap Floating Leg Benchmark Rate Day Count Fraction specified in the relevant Final Terms).

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate.

"**Mid-Swap Floating Leg Benchmark Rate**" means the benchmark rate specified as such in the relevant Final Terms.

"**Mid-Swap Maturity**" means the period specified as such in the relevant Final Terms.

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 2(j) above, either:

(i) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Resettable Note Reset Date,

which appears on the Relevant Screen Page; or

(ii) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Resettable Note Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately the Relevant Time in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent.

"**Minimum Rate of Interest**" means a percentage value specified as such in the relevant Final Terms which shall never be less than zero and, if not otherwise specified, shall be deemed to be zero.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of any Note specified, calculated or determined in accordance with the applicable provisions of this Condition 2 and/or the relevant Final Terms.

"**Redemption Amount**" means (i) Zero Coupon Note Redemption Amount, (ii) Final Redemption Amount, (iii) Redemption Amount (Call), (iv) Capital Disqualification Event Early Redemption Amount, (v) Tax Event Redemption Amount, (vi) MREL Disqualification Event Early Redemption Amount, or (vii) Event of Default Redemption Amount, as applicable.

"**Reference Banks**" means (i) in relation to Notes other than CMS-Linked Interest Notes and Resettable Notes and (A) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and (B) in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Issuer or any third party appointed by the Issuer or as specified in the relevant Final Terms, and (ii) in relation to CMS Rates, means (A) where the Reference Currency is euro, the principal Eurozone office of five leading swap dealers in the inter-bank market, (B) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (C) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (D) in the case of any other Reference Currency, the principal office in the principal financial centre of the Reference Currency of five leading swap dealers in the relevant financial centre inter-bank market, in each case as selected by the Issuer or any third party appointed by the Issuer.

"**Reference Currency**" means each currency specified as such in the relevant Final Terms.

"**Reference Rate**" means, in relation to any Notes other than CMS-Linked Interest Notes, the rate specified as such in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms, and in relation to any CMS-Linked Interest Notes, the rate specified as such in the relevant Final Terms.

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

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms (or any successor or replacement page, section, caption, column or other part of that service which displays the information).

"**Relevant Swap Rate**" means:

(i) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating Euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a Designated Maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a Designated Maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a Designated Maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a Designated Maturity of three months; and

(iv) where the Reference Currency is any other currency, the mid-market swap rate as determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**Relevant Time**" means the time as of which any rate is to be determined as specified in the relevant Final Terms or, if none is specified, at which it is customary to determine such rate, and for these purposes, the Relevant Time in the case of LIBOR shall be 11:00 a.m. London time and in the case of EURIBOR shall be 11:00 a.m. Brussels time.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Reset Determination Date**" means, (i) in respect of the First Reset Period, the second Business Day prior to the First Resettable Note Reset Date, (ii) in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Resettable Note Reset Date and, (iii) in respect of each Reset Period thereafter, the second Business Day prior to the first day of each such Reset Period.

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be.

"**Reset Rate of Interest**" means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable.

"**Resettable Note Interest Payment Date**" means each date specified as such in the relevant Final Terms.

"**Resettable Note Reset Date**" means the First Resettable Note Reset Date, the Second Resettable Note Reset Date and every Subsequent Resettable Note Reset Date as may be specified as such in the relevant Final Terms.

"**Resettable Notes**" means Notes in respect of which the "Resettable Notes Provisions" in Part A of the Final Terms are specified as being applicable in the relevant Final Terms.

"**Reuters Screen**" means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

"**Second Resettable Note Reset Date**" means the date specified as such in the relevant Final Terms.

"**Specified Currency**" means the currency specified as such in the relevant Final Terms.

"**Sterling**" means the lawful currency of the United Kingdom.

"**Subsequent Margin**" means the margin(s) specified as such in the relevant Final Terms.

"**Subsequent Reset Period**" means the period from (and including) the Second Resettable Note Reset Date to (but excluding) the next Resettable Note Reset Date, and each successive period from (and including) a Resettable Note Reset Date to (but excluding) the next succeeding Resettable Note Reset Date.

"**Subsequent Resettable Note Reset Date**" means the date or dates specified as such in the relevant Final Terms.

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 2(j) above, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate plus the applicable Subsequent Margin (with such sum converted (if necessary) from a basis equivalent to the Fixed Leg Swap Payment Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be made by the Calculation Agent)).

"**Target 2-Securities**" means the Eurosystem's single technical settlement solution enabling CSDs and national central banks to provide borderless and neutral securities matching and settlement services in central bank money in Europe.

"**TARGET 2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

"**Zero Coupon Notes**" means Notes which do not bear any interest, and in respect of which the "Zero Coupon Note" provisions in Part A of the Final Terms are specified as being applicable in the relevant Final Terms.

(n) Calculation Agent

For so long as any Resettable Note, Floating Rate Note or CMS-Linked Interest Note is outstanding (as defined in the Agency Agreement), the Issuer shall procure that there shall at all times be one or more Calculation Agents appointed to act as calculation agent for such Notes. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Terms and Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Terms and Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount or the Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through any office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(o) Benchmark replacement

(i) Independent Adviser

If "Benchmark Replacement" is specified as being applicable in the relevant Final Terms, notwithstanding the other provisions of this Condition 2, if the Issuer determines that a Benchmark Event has occurred in relation to the Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 2(o)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 2(o)(iii)) and any Benchmark Amendments (in accordance with Condition 2(o)(iv)).

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

If (i) the Issuer is unable to appoint an Independent Adviser after having used its reasonable endeavours to do so; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 2(o)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For

the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 2(o).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 2(o)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 2(o)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 2(o)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 2(o)).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), and (ii) 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 Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 2(o) and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that amendments to these Conditions are necessary to follow market practice or to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"), and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 2(o)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 2(o)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 2(o), no Successor Rate, Alternative Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the Terms and Conditions of the Notes will be made to effect a Benchmark Amendment pursuant to this Condition 2(o), if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Notes giving rise to a Capital

Disqualification Event (in the case of Subordinated Notes) or a MREL Disqualification Event (in the case of Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms or of Senior Non-Preferred Notes).

In the case of Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms or of Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 2(o), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Lead Regulator and/or the Relevant Resolution Authority treating an Interest Payment Date or Resettable Note Reset Date, as the case may be, as the effective maturity of the Notes, rather than the relevant Maturity Date.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 2(o) will be notified promptly by the Issuer to the Calculation Agent, the Paying Agent and, in accordance with Condition 8, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Calculation Agent, the Paying Agent and the Noteholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 2(o) (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 2(c)(iii) and Condition 2(j) (as applicable) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 2(o)(v).

(vii) Definitions:

As used in this Condition 2(o):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) 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 Original Reference Rate with the Successor Rate by any

Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(B) the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged)

(C) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 2(o)(ii) has replaced the Original 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 the Specified Currency and of a comparable duration to the relevant Interest Period or Reset Period (as applicable), or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the Original Reference Rate.

"**Benchmark Amendments**" has the meaning given to it in Condition 2(o)(iv).

"**Benchmark Event**" means:

(A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(E) a change in the customary market practice in the international capital markets applicable generally to the Notes denominated in the Specified Currency (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) to refer to a base rate other than the Original Reference Rate, despite the continued existence of such Original Reference Rate; or

(F) it has become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 2(o)(i).

"**Original Reference Rate**" means the originally specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (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 a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

3. Redemption, Purchase and Options

(a) Final Redemption

(i) Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount.

(ii) In these Terms and Conditions:

"**Final Redemption Amount**" means, (A) if "**Specified Redemption Amount**" is specified as being applicable in the relevant Final Terms, an amount per Calculation Amount equal to the product of the Specified Fixed Percentage Rate and the Calculation Amount, **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent., or (B) if "**Par Redemption**" is specified in the relevant Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount.

"**Specified Fixed Percentage Rate**" means the percentage specified as such in the relevant Final Terms, **provided that** if no such rate is specified, the Specified Fixed Percentage Rate shall be 100 per cent.

(b) *Early Redemption of Zero Coupon Notes*

(i) Unless otherwise specified in the relevant Final Terms, the Zero Coupon Note Redemption Amount payable in respect of any Zero Coupon Note prior to the Maturity Date shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of sub-paragraph (iii) below, the "**Amortised Face Amount**" of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted back to the due date for payment at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as set out in the relevant Final Terms) applied on a compounded or non-compounded basis as specified in the Final Terms (which, if none is specified in the Final Terms, shall be such rate (compounded annually) as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) (the "**Amortised Face Amount**").

(iii) If the Zero Coupon Note Redemption Amount payable in respect of any such Zero Coupon Note upon its redemption pursuant to Condition 3(c), 3(d), 3(e), or 3(f) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Zero Coupon Note Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the due date for payment were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 2(e).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction set out in the relevant Final Terms.

(c) *Redemption at the Option of the Issuer*

If "Call Option" is specified as being applicable in the relevant Final Terms, subject in respect of Subordinated Notes, Senior Non-Preferred Notes and Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms only to the conditions set out in Condition 3(h), the Issuer may on giving not less than the minimum period nor more than the maximum period of irrevocable notice to the Noteholders as shall be specified in the relevant Final Terms (which shall not be less than seven days) redeem all or, if so provided, some of the Notes in the principal amount of the Specified Denomination(s) or integral multiples thereof on the Optional Redemption Date.

Any such redemption of Notes shall be at their Redemption Amount (Call) together with interest accrued to (but excluding) the date fixed for redemption (as set out in the notice to the Noteholders). Any such redemption must relate to the Notes of a nominal amount at least equal to the Minimum Nominal Redemption Amount (if any) to be redeemed specified in the relevant Final Terms and no greater than the Maximum Nominal Redemption Amount (if any) to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 3(c).

In the case of a partial redemption of the Notes, the relevant Notes will be selected in accordance with the rules of the Securities Settlement System.

For these purposes, "**Redemption Amount (Call)**" means (i) if "**Specified Redemption Amount**" is specified in the relevant Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent., (ii) if "**Par Redemption**" is specified in the relevant Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount or (iii) if "**Amortised Face Amount**" is specified in the relevant Final Terms, an amount calculated in accordance with Condition 3(b) above.

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

If this Condition 3(d) is specified as being applicable in the relevant Final Terms, then, if a Capital Disqualification Event has occurred and is continuing, the Issuer may, subject to the conditions set out in Condition 3(h), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 8 (with a copy to the Paying Agent), at its option, redeem all, but not some only, of the Subordinated Notes, on any Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) or, if so specified in the relevant Final Terms, at any time, at the Capital Disqualification Event Early Redemption Amount, together with interest accrued and unpaid, if any, to (but excluding) the date fixed for redemption.

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

In these Terms and Conditions:

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

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

"**Capital Disqualification Event Early Redemption Amount**" means (i) if "**Specified Redemption Amount**" is specified in the relevant Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent., (ii) if "**Par Redemption**" is specified in the relevant Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount or (iii) if "**Amortised**

Face Amount" is specified in the relevant Final Terms, an amount calculated in accordance with Condition 3(b) above.

"**CRD**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions on prudential requirements for credit institutions and investment firms.

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

In this Condition 3(d): "**Tier 2 capital**" has the meaning given to it under the Applicable Banking Regulation as applied by the Lead Regulator from time to time.

(e) Redemption upon occurrence of a Tax Event

Subject in respect of Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms, Senior Non-Preferred Notes or Subordinated Notes only to the conditions set out in Condition 3(h), the Issuer may, at its option (subject to giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 8 (with a copy to the Paying Agent), which notice shall be irrevocable) redeem all, but not some only, of the Notes outstanding on any Interest Payment Date or Resettable Note Interest Payment Date (as the case may be), or, if so specified in the relevant Final Terms, at any time, at the Tax Event Redemption Amount, together with interest accrued and unpaid, if any, to (but excluding) the date fixed for redemption (as set out in the notice to the Noteholders), if, at any time, a Tax Event has occurred and is continuing, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (i) the Issuer would be obliged to pay any additional amounts in the case of a Tax Gross-up Event, or (ii) a payment in respect of the Notes would cease to be deductible or the tax deductibility of such payment would reduce in the case of a Tax Deductibility Event, in each case, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall obtain an opinion of an independent legal adviser of recognised standing to the effect that a Tax Event exists save that such opinion shall not address whether the relevant obligations can be avoided by the Issuer taking reasonable measures available to it.

In these Terms and Conditions:

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

(i) in making payments under the Notes (in the case of Subordinated Notes, Senior Non-Preferred Notes and Senior Preferred Notes where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms, in making interest payments only), the Issuer has or will on or before the next date on which payment is due under the Notes become obliged to pay additional amounts as provided or referred to in Condition 5 (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it) (a "**Tax Gross-up Event**"); or

(ii) if "Tax Deductibility Event" is specified as applicable in the relevant Final Terms, on or before the next date on which payment is due under the Notes any payment of interest by the Issuer in respect of the Notes ceases (or will cease) to be tax deductible by the Issuer for the Tax Jurisdiction's tax purposes or such deductibility is reduced (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it) (a "**Tax Deductibility Event**").

"**Tax Event Redemption Amount**" means (i) if "**Specified Redemption Amount**" is specified in the relevant Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent., (ii) if "**Par Redemption**" is specified in the relevant Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount, or (iii) if "**Amortised Face Amount**" is specified in the relevant Final Terms, an amount calculated in accordance with Condition 3(b) above.

"**Tax Jurisdiction**" means Belgium or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject.

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

(f) Redemption of Senior Preferred Notes and of Senior Non-Preferred Notes upon the occurrence of a MREL Disqualification Event

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

"**Applicable MREL Regulations**" means, at any time, the laws, regulations, requirements, guidelines and policies giving effect to MREL.

"**MREL**" means the "minimum requirement for own funds and eligible liabilities" for banking institutions under the Directive 2014/59/EU of the European Parliament and of the Council, establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms, as set in accordance with Article 45 of such Directive (as transposed in article 267/3 of the Belgian Banking Law) and Commission Delegated Regulation (C(2016) 2976 final) of 23 May 2016, or any successor requirement.

"**MREL Disqualification Event**" means at any time that all or part of the outstanding nominal amount of the Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" has been specified as applicable in the relevant Final Terms) of a Series or of the Senior Non-Preferred Notes of a Series does not or will not qualify as MREL-Eligible Instruments under the Applicable MREL Regulations, either by reason of (i) a change in the Applicable MREL Regulations (or the application or official interpretation of such regulations) or (ii) the Applicable MREL Regulations becoming effective, except where such

non-qualification (a) was reasonably foreseeable at the Issue Date of the last Tranche of Notes or (b) is due to the remaining maturity of such Notes being less than any period prescribed by the Applicable MREL Regulations or (c) is due to any restriction on the amount of liabilities that can count as MREL-Eligible Instruments or (d) is as a result of the relevant Notes being bought back by or on behalf of the Issuer or a buy back of the relevant Notes which is funded by or on behalf of the Issuer or (e) in the case of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" has been specified as applicable in the relevant Final Terms), is due to the relevant Senior Preferred Notes not meeting any requirement in relation to their ranking upon insolvency of the Issuer.

"**MREL-Eligible Instrument**" means an instrument that is eligible to be counted towards the MREL of the Issuer in accordance with Applicable MREL Regulations.

"**MREL Disqualification Event Early Redemption Amount**" means (i) if "**Specified Redemption Amount**" is specified in the relevant Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent., (ii) if "**Par Redemption**" is specified in the relevant Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount or (iii) if "**Amortised Face Amount**" is specified in the relevant Final Terms, an amount calculated in accordance with Condition 3(b) above.

(g) Repurchases and purchases

The Issuer and any of its subsidiaries may repurchase and purchase Notes in the open market or otherwise at any price. This Condition 3(g) shall apply in the case of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" has been specified as applicable in the relevant Final Terms), Senior Non-Preferred Notes or Subordinated Notes to the extent such repurchases and purchases of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes are not prohibited by the Applicable Banking Regulation and/or Applicable MREL Regulations, as applicable, and subject to the conditions set out in Condition 3(h).

(h) Conditions to redemption, repurchase and purchase

Any optional redemption, repurchase or purchase of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" has been specified as applicable in the relevant Final Terms), Senior Non-Preferred Notes or of Subordinated Notes pursuant to this Condition 3 is subject to the following conditions (in each case, if and to the extent then required by the Applicable Banking Regulation and/or Applicable MREL Regulations, as applicable):

(i) compliance with any conditions prescribed under the Applicable Banking Regulation and/or Applicable MREL Regulations, as applicable, including the prior approval of the Lead Regulator or the Relevant Resolution Authority (if required);

(ii) in respect of Subordinated Notes only, (A) in the case of redemption following the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the Lead Regulator that (x) the Tax Law Change was not foreseeable by the Issuer as at the Issue Date of the last Tranche of Notes and (y) the Tax Event is material, or (B) in the case of redemption following the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Lead Regulator that the relevant change is sufficiently certain and was not foreseeable by the Issuer as at the Issue Date of the last Tranche of Notes; and

(iii) compliance by the Issuer with any alternative or additional pre-conditions to the redemption of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes to the extent set out in the Applicable Banking Regulation and/or Applicable MREL Regulations (as applicable) and required by the Lead Regulator or the Relevant Resolution Authority.

(i) Cancellation

Subject in respect of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" has been specified as applicable in the relevant Final Terms), Senior Non-Preferred Notes or Subordinated Notes only to the conditions set out in Condition 3(h), all Notes repurchased or purchased by or on behalf of the Issuer or any of its subsidiaries may be, and all Notes redeemed by the Issuer will be, cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

4. Payments

(a) Principal and interest

Payment of principal and interest in respect of Notes will be made in accordance with the applicable rules and procedures of the Securities Settlement System, Euroclear Bank, Clearstream, SIX SIS, Monte Titoli and any other Securities Settlement System participant holding interest in the relevant Notes, and any payment made by the Issuer to the Securities Settlement System or, in the case of payments in any currency other than euro or a currency which is participating in Target 2-Securities, to Euroclear Bank, Clearstream, SIX SIS and Monte Titoli will constitute good discharge for the Issuer.

(b) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or its agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 5. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) Appointment of Agents

The Agents initially appointed by the Issuer and their respective specified offices are listed below. The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Paying Agent having a specified office in a major European city, (ii) one or more Calculation Agent(s) where the Terms and Conditions so require, and (iii) such other agents as may be required by the rules of any stock exchange on which the Notes may be listed.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(d) Non-Business Days

If any date for payment in respect of any Note is not a business day, the Noteholder shall not be entitled to payment until the next following business day, or as may be otherwise specified in the relevant Final Terms, nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which: (a) banks and foreign exchange markets are open for business in the relevant place of payment in such jurisdictions as shall be specified as "**Payment Business Day Jurisdictions**" in the relevant Final Terms; (b) the Securities Settlement System is open; and (c) either:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

5. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made without withholding or deduction for any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction, unless the withholding or deduction is required by law.

In that event, or if a clearing system or any participant in a clearing system withholds or deducts for, or on account of, any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction, the Issuer shall pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall be not less than the respective amounts of principal and interest, or interest only in case of Subordinated Notes, Senior Non-Preferred Notes and Senior Preferred Notes where "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms, which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any payment in respect of any Note:

(a) *Other connection*: to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with any Tax Jurisdiction other than the mere holding of the Note, or the receipt of principal, interest or other amount in respect of the Note; or

(b) *Lawful avoidance of withholding*: to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note is presented for payment; or

(c) *Non-Eligible Investors*: to a Noteholder who, at the time of issue of the Notes, was not an Eligible Investor within the meaning of Article 4 of the Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Noteholder who was an Eligible Investor at the time of issue of the Notes but, for reasons within the Noteholder's control, ceased to be an Eligible Investor or, at any relevant time on or after the issue of the Notes, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to transactions with certain securities; or

(d) *Conversion into registered Notes*: to a Noteholder who is liable to such withholding or deduction because the Notes were converted into registered Notes upon his/her request and could no longer be cleared through the Securities Settlement System.

Notwithstanding any other provision of these Terms and Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer in respect of the Notes will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**Code**") (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA withholding**"). Neither the Issuer nor any other person will be required to pay additional amounts in respect of, or otherwise to indemnify a Noteholder for, any FATCA withholding.

References in these Terms and Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 3 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 2 or any amendment or supplement to it, and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 5.

6. Status and subordination

The Notes may be either senior Notes ("**Senior Notes**") or subordinated Notes ("**Subordinated Notes**") and the Senior Notes may be either senior preferred Notes ("**Senior Preferred Notes**") or senior non-preferred Notes ("**Senior Non-Preferred Notes**"), in each case as specified in the relevant Final Terms.

(a) Status of Senior Preferred Notes

(i) *Status*

The Senior Preferred Notes (being those Notes in respect of which the status is specified in the relevant Final Terms as "Senior Preferred Notes") are direct, unconditional, senior and unsecured (*chirografaire/chirographaires*) obligations of the Issuer and rank at all times:

(A) *pari passu*, without any preference among themselves, and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, which will fall or are expressed to fall within the category of obligations described in article 389/1, 1° of the Belgian Banking Law, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights;

(B) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking *pari passu* with or junior to Senior Non-Preferred Obligations; and

(C) junior to all present and future claims as may be preferred by laws of general application.

Subject to applicable law, if any judgment is rendered by any competent court declaring the judicial liquidation (*gerechtelijke vereffening/procédure de liquidation*) of the Issuer or if the Issuer is liquidated for any other reason, the Noteholders will

have a right to payment under the Senior Preferred Notes (including for any damages awarded for breach of any obligations under these Terms and Conditions):

(A) only after, and subject to, payment in full of Noteholders of present and future claims as may be preferred by laws of general application; and

(B) subject to such payment in full, in priority to holders of Senior Non-Preferred Obligations and other present and future claims otherwise ranking junior to Senior Preferred Notes.

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

(ii) *Waiver of set-off*

Subject to applicable law, no Noteholder may exercise or claim any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with Senior Preferred Notes where "Senior Preferred Notes Restricted Terms" is specified as being applicable in the relevant Final Terms and each Noteholder shall, by virtue of its subscription, purchase or holding of such Senior Preferred Notes, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any amounts owing to any holder of such Senior Preferred Notes by the Issuer is discharged by set-off, such holder shall, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding-up or administration, the liquidator or administrator, as appropriate of the Issuer for the payment to creditors of the Issuer in respect of amounts owing to them by the Issuer and accordingly any such discharge shall be deemed not to have taken place.

(b) Status of Senior Non-Preferred Notes

(i) *Status*

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

(A) *pari passu* without any preference among themselves and with all other Senior Non-Preferred Obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights;

(B) senior to the Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations; and

(C) junior to present and future claims of (a) any unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations of the Issuer, and (b) all other present and future claims as may be preferred by laws of general application or otherwise ranking in priority to Senior Non-Preferred Obligations.

Subject to applicable law, if any judgment is rendered by any competent court declaring the judicial liquidation (*gerechtelijke vereffening/procédure de liquidation*) of the Issuer, the Noteholders will have a right to payment under the Senior Non-Preferred Notes (including for any damages awarded for breach of any obligations under these Terms and Conditions):

(A) only after, and subject to, payment in full of holders of Senior Preferred Notes and other present and future claims benefiting from statutory preferences or otherwise ranking in priority to Senior Non-Preferred Obligations; and

(B) subject to such payment in full, in priority to holders of the Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations.

(ii) *Waiver of set-off*

Subject to applicable law, no Noteholder may exercise or claim any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Non-Preferred Notes and each Noteholder shall, by virtue of its subscription, purchase or holding of a Senior Non-Preferred Note, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any amounts owing to any holder of a Senior Non-Preferred Note by the Issuer is discharged by set-off, such Noteholder shall, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding-up or administration, the liquidator or administrator, as appropriate of the Issuer for the payment to creditors of the Issuer in respect of amounts owing to them by the Issuer and accordingly any such discharge shall be deemed not to have taken place.

(c) Status of Subordinated Notes

(i) *Status and Subordination*

Notes in respect of which the status is specified in the relevant Final Terms as "**Subordinated**" ("**Subordinated Notes**") constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

In the event of an order being made, or an effective resolution being passed, for the liquidation, dissolution or winding-up of the Issuer by reason of bankruptcy (*faillissement/faillite*) or otherwise (except, in any such case, a solvent liquidation, dissolution or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer or the substitution in place of the Issuer of a successor in business of the Issuer), the rights and claims of the holders of Subordinated Notes against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the Subordinated Notes shall, subject to any obligations which are mandatorily preferred by law, rank

(A) junior to the claims of all Senior Creditors of the Issuer;

(B) *pari passu* without preference among themselves and *pari passu* with (a) the claims of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute,

Tier 2 capital of the Issuer and (b) any obligation which ranks or is expressed to rank *pari passu* with the Subordinated Notes; and

(C) senior and in priority to (a) the claims of holders of all classes of share and other equity capital (including preference shares (if any)) of the Issuer, (b) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, and (c) the claims of holders of any other obligations or instruments of the Issuer which are or are expressed to be subordinated to the Subordinated Notes.

(ii) *Waiver of set-off*

Subject to applicable law, no Noteholder may exercise or claim any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes and each Noteholder shall, by virtue of its subscription, purchase or holding of a Subordinated Note, be deemed to have waived all such rights of set-off, compensation and retention. Notwithstanding the preceding sentence, if any amounts owing to any holder of a Subordinated Notes by the Issuer is discharged by set-off, such Noteholder shall, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding-up or administration, the liquidator or administrator, as appropriate of the Issuer for the payment to creditors of the Issuer in respect of amounts owing to them by the Issuer and accordingly any such discharge shall be deemed not to have taken place.

(iii) *Defined Terms*

In this Condition 6(c):

"**Senior Creditors**" means creditors of the Issuer whose claims are in respect of obligations which are unsubordinated or which otherwise rank, or are expressed to rank, senior to obligations which constitute Tier 2 capital of the Issuer (including the Subordinated Notes).

"**Tier 1 capital**" and "**Tier 2 capital**" have the respective meaning given to them under the Applicable Banking Regulation as applied by the Lead Regulator.

(d) Certain Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes: Substitution and Variation

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

Any substitution or variation of the Securities pursuant to this Condition 6(d) is subject to compliance with any conditions prescribed under the Applicable Banking Regulation and/or

Applicable MREL Regulations (as applicable), including the prior approval of the Lead Regulator and/or the Relevant Resolution Authority (if required).

In these Terms and Conditions:

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

(i) rank equally with the ranking of the Senior Preferred Notes (in the case of Senior Preferred Notes), Senior Non-Preferred Notes (in the case of Senior Non-Preferred Notes) or Subordinated Notes (in the case of Subordinated Notes);

(ii) have terms not materially less favourable to Noteholders than the terms of the Senior Preferred Notes, the Senior Non-Preferred Notes or, as the case may be, the Subordinated Notes (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing, and provided that a certification of two members of the management board of the Issuer shall have been delivered to the Paying Agent prior to the substitution or variation of the relevant securities), provided that such securities shall:

(A) contain terms such that they comply with the then Applicable Banking Regulation in relation to Tier 2 capital (in case of Subordinated Notes) or that they comply with the then Applicable MREL Regulations (in case of Senior Preferred Notes or Senior Non-Preferred Notes);

(B) not contain terms which would cause a MREL Disqualification Event (in case of Senior Preferred Notes or Senior Non-Preferred Notes) or a Capital Disqualification Event (in case of Subordinated Notes) or (in either case) a Tax Event to occur as a result of such substitution or variation;

(C) include terms which provide for the same (or, from a Noteholder's perspective, a more favourable) Rate of Interest from time to time, Interest Payment Dates or Resettable Note Interest Payment Dates (as the case may be), Maturity Date and if applicable optional redemption dates, as apply to the Senior Preferred Notes, the Senior Non-Preferred Notes or the Subordinated Notes;

(D) shall preserve any existing right under the Terms and Conditions to any accrued interest, principal and/or premium which has not been satisfied; and

(E) not contain terms providing for the mandatory or voluntary deferral or cancellation of payments of principal and/ or interest;

(iii) are listed on (A) the regulated market of Luxembourg Stock Exchange or (B) such other regulated market in the European Economic Area as selected by the Issuer (to the extent the Notes were listed on the regulated market of Luxembourg Stock Exchange or such other regulated market in the European Economic Area prior to their substitution or variation); and

(iv) where the Senior Preferred Notes, the Senior Non-Preferred Notes or, as the case may be, the Subordinated Notes which have been substituted or varied had a solicited credit rating immediately prior to their substitution or variation, be assigned a solicited credit rating equal to or higher than the solicited credit rating of the Senior Preferred Notes, the Senior Non-Preferred Notes or, as the case may be, the Subordinated Notes immediately prior to their substitution or variation.

7. Substitution of the Issuer

Subject to this Condition 7 being specified as applicable in the Final Terms, then, the Issuer or any previous substituted company may at any time, without the consent of the Noteholders, substitute for itself as principal debtor under the Notes, any company (the "**Substitute**") provided that:

(a) in the case of Senior Preferred Notes (where "Senior Preferred Notes Restricted Terms" has been specified as applicable in the relevant Final Terms), Senior Non-Preferred Notes or of Subordinated Notes, the Lead Regulator and/or the Relevant Resolution Authority (as required) approves the substitution;

(b) the substitution is made by execution of such documentation as the Issuer determines is appropriate to give effect to such substitution;

(c) no payment of principal of, or interest on, the Notes is at the time of such substitution overdue;

(d) the Substitute assumes all obligations and liabilities of the substituted Issuer in its capacity as debtor arising from, or in connection with, the Notes and the substitution is subject to the Issuer irrevocably and unconditionally guaranteeing on a senior preferred basis (in the case of Senior Preferred Notes), on a senior non-preferred basis (in case of Senior Non-Preferred Notes) or on a subordinated basis (in the case of Subordinated Notes) corresponding to the ranking of the Subordinated Notes, the obligations of the Substitute;

(e) the Substitute becomes a party to the Agency Agreement, with any appropriate consequential amendments, and assumes all the obligations and liabilities of the Issuer in its capacity as debtor under the Notes contained therein and shall be bound as fully as if the Substitute had been named therein as an original party;

(f) the Substitute shall, by execution of such documentation as the Issuer determines is appropriate, agree to indemnify the holder of each Note against any tax, duty, fee or governmental charge that is imposed on such Noteholder by the jurisdiction of the country of its residence for tax purposes and, if different, of its incorporation or any political subdivision or taxing authority thereof or therein with respect to any Note and that would not have been so imposed had it not been substituted as the principal debtor and any tax, duty, fee or governmental charge imposed on or relating to such substitution and any costs or expenses of such substitution;

(g) the Substitute obtains all necessary governmental and regulatory approvals and consents, takes all actions and fulfils all conditions necessary for such substitution and to ensure that any document executed to give effect to the substitution and the Notes represents valid, legally binding and enforceable obligations of the Substitute;

(h) the Substitute shall cause a legal opinion to be delivered to the Paying Agent from lawyers with a leading securities practice in Belgium and the jurisdiction of the Substitute confirming the validity of the substitution and the continuance or giving of the guarantee referred to in sub-paragraph (d) above;

(i) each stock exchange which the Notes are listed on or the relevant competent authority relating thereto shall have confirmed that following the proposed substitution of the Issuer, such Notes would continue to be listed on such stock exchange;

(j) following the substitution, the Notes will continue to be represented by book-entry in the records of the Securities Settlement System;

(k) where the Notes had a published rating from a rating agency immediately prior to the substitution of the Issuer, the Notes shall continue to be rated by such rating agency immediately following such substitution and the published ratings assigned to the Notes by any such rating agency immediately following such substitution will be no less than those assigned to the Notes immediately prior thereto; and

(l) the Issuer shall have given at least 14 days' prior notice of a proposed substitution to the Noteholders, such notice to be published in accordance with these Terms and Conditions, stating that copies, or pending execution, the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to the Noteholders, shall be available for inspection at the specified office of the Paying Agent.

References in Condition 11 to obligations under the Notes shall be deemed to include obligations of the Substitute under the documentation executed in order to give effect to the substitution.

8. Notices

All notices to Noteholders shall be validly given if (i) delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the Securities Settlement System, and (ii) in the case of Notes held in a securities account, through a direct notification through the applicable clearing system.

For so long as Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require, such notices shall also be published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Notes are for the time being listed.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above or, in the case of direct notification, any such notice shall be deemed to have been given on the date immediately following the date of notification.

In addition to the above publications, with respect to notices for a meeting of Noteholders, any convening notice for such meeting shall be made in accordance with the Belgian Companies Code and in one Belgian newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice. In addition, the convening notice shall specify the procedures in respect of voting on resolutions to be decided by the meeting.

9. Prescription

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

10. Meeting of Noteholders and Modification to Agency Agreement

(a) Meetings of Noteholders

(i) Subject to paragraph (ii) below, Schedule 1 (*Provisions on meetings of Noteholders*) of these Terms and Conditions contains provisions for convening meetings of Noteholders (the "**Meeting Provisions**") to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined below) of a modification of any of these Terms and Conditions.

Meetings of Noteholders may be convened to consider matters relating to Notes, including the modification or waiver of any provision of the Terms and Conditions applicable to any relevant Series of Notes. Any such modification or waiver may be made if sanctioned by an Extraordinary Resolution. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of the Issuer. An "**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with these Terms and Conditions and the Meeting Provisions by a majority of at least 75 per cent. of the votes cast.

All meetings of Noteholders will be held in accordance with the Meeting Provisions. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one fifth of the aggregate principal amount of the outstanding Notes. A meeting of Noteholders will be entitled (subject to the consent of the Issuer) to modify or waive any provision of the Terms and Conditions applicable to any Series of Notes (including any proposal (i) to modify the maturity of a Series of Notes or the dates on which interest is payable in respect of a Series of Notes, (ii) to reduce or cancel the principal amount of, or interest on, a Series of Notes, (iii) to change the currency of payment of a Series of Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders) in accordance with the quorum and majority requirements set out in the Meeting Provisions. Resolutions duly passed in accordance with these provisions shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Noteholders shall be made in accordance with the Meeting Provisions.

(ii) For so long as the relevant provisions relating to meetings of bondholders of the Belgian Companies Code of 7 May 1999 (the "**Existing Code**") cannot be derogated from, where any provision of the Meeting Provisions would conflict with the relevant mandatory provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.

(b) Modification of Agency Agreement

Without prejudice to Condition 2(o), the Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) Written Resolutions

A written resolution signed by the holders of 75 per cent. in nominal amount of the Notes outstanding shall take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

11. Events of Default

(a) *Subordinated Notes, Senior Non-Preferred Notes and Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms – Events of Default:*

If default is made in the payment of any principal or interest due in respect of the Subordinated Notes, the Senior Non-Preferred Notes or Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms and such default continues for a period of 30 days or more after the due date, any holder of the relevant Notes may institute proceedings for the dissolution or liquidation of the Issuer in Belgium.

In the event of a dissolution or liquidation of the Issuer including, without limiting the generality of the foregoing, bankruptcy (*"faillissement/faillite"*), judicial liquidation (*"gerechtelijke vereffening/liquidation forcée"*) or voluntary liquidation (*"vrijwillige vereffening/liquidation volontaire"*) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all liabilities of the Issuer) under the laws of Belgium), each holder of Notes of the relevant Series of Subordinated Notes, Senior Non-Preferred Notes or Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is specified as applicable in the relevant Final Terms (as applicable) may give written notice to the Paying Agent at its specified office that its relevant Note(s) is (are) immediately repayable, whereupon the Event of Default Redemption Amount of such Note(s) together (if applicable) with accrued interest to the date of payment shall become immediately due and payable.

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

For the avoidance of doubt, the holders of the relevant Notes waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind (*"ontbinden/résoudre"*), or to demand legal proceedings for the rescission (*"ontbinding/résolution"*) of, the relevant Notes and (ii) to the extent applicable, all their rights whatsoever in respect of the relevant Notes pursuant to Article 487 of the Belgian Companies Code.

(b) *Senior Preferred Notes if "Senior Preferred Notes Restricted Terms" is not specified as applicable in the relevant Final Terms – Events of Default:*

If any of the events set out below in the case of Senior Preferred Notes where "Senior Preferred Notes Restricted Terms" is not specified as applicable in the relevant Final Terms ("**Events of Default**") occurs and is continuing, the holder of any Note may give written notice specifying the Event of Default to the Issuer or the Paying Agent at its specified office and declaring that such Note is immediately repayable, whereupon the Event of Default Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable (unless such Event of Default shall have been remedied prior to the receipt of such notice by the Paying Agent):

(i) *Non-Payment:* default is made for a period of more than 15 days in the payment of principal or in the payment of interest in respect of any of the Senior Preferred Notes; or

(ii) *Breach of other obligations*: default by the Issuer in the due performance or observance of any obligation, condition or other provisions under or in relation to the Senior Preferred Notes, if such default is not cured within 60 days of receipt by the Paying Agent of written notice of default given by the holder of any Senior Preferred Note; or

(iii) *Winding-Up*: the Issuer shall be dissolved or wound up or otherwise shall cease to exist prior to the redemption of all outstanding Senior Preferred Notes (except for the purpose of a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer); or

(iv) *Insolvency*: the Issuer becomes insolvent, is unable to pay its debts generally or as they fall due, is in "*cessation de paiements*/*staking van betaling*" or stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or ceases or threatens to cease to carry on its business, or proposes or makes a general assignment or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer, or if the Issuer applies for a *"sursis de paiements/uitstel van betaling", "liquidation volontaire/vrijwillige vereffening"* (other than a *"liquidation volontaire/vrijwillige vereffening"* in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), *"liquidation forcée/gerechtelijke vereffening", "faillite/faillissement"* or any similar procedures shall have been initiated in respect of the Issuer (except if any of the events described in this paragraph (iv) occurs in a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer); or

(v) *Illegality*: it becomes unlawful for the Issuer to perform any of its obligations under the Senior Preferred Notes or any of its obligations thereunder ceases to be valid, binding or enforceable.

In these Terms and Conditions: "**Event of Default Redemption Amount**" means (i) if "**Specified Redemption Amount**" is specified in the relevant Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100 per cent., (ii) if "**Par Redemption**" is specified in the relevant Final Terms, an amount per Calculation Amount equal to 100 per cent. per Calculation Amount, or (iii) if "**Amortised Face Amount**" is specified in the relevant Final Terms, an amount calculated in accordance with Condition 3(b) above.

12. Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the date for and amount of the first payment of interest) so that, for the avoidance of doubt, references in these Terms and Conditions to "**Issue Date**" shall be (unless otherwise specified) to the first issue date of the Notes, and so that the same shall be consolidated and form a single series with such Notes, and references in these Terms and Conditions to "**Notes**" shall be construed accordingly.

13. Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

The Dutch-speaking courts of Brussels, Belgium are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes including any legal action or proceedings relating to any non-contractual obligations arising therefrom and accordingly any legal action or proceedings arising out of or in connection with any Notes including any disputes relating to any non-contractual obligations arising therefrom ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of Brussels, Belgium and waives any objection to Proceedings in such courts on the ground of venue. These submissions are made for the benefit of each of the Noteholders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

SCHEDULE 1

Provisions on meetings of Noteholders

Interpretation

1. In this Schedule:

1.1 references to a "**meeting**" are to a meeting of Noteholders of a single Series of Notes and include, unless the context otherwise requires, any adjournment;

1.2 references to "**Notes**" and "**Noteholders**" are only to the Notes of the Series and in respect of which a meeting has been, or is to be, called and to the holders of those Notes, respectively;

1.3 "**agent**" means a holder of a Voting Certificate or a proxy for, or representative of, a Noteholder;

1.4 "**Block Voting Instruction**" means a document issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 9;

1.5 "**Electronic Consent**" has the meaning set out in paragraph 30.1;

1.6 "**Extraordinary Resolution**" means a resolution passed (a) at a meeting of Noteholders duly convened and held in accordance with this Schedule 1 (*Provisions on meetings of Noteholders*) by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;

1.7 "**Ordinary Resolution**" means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50 per cent. of the votes cast;

1.8 "**Recognised Accountholder**" means an entity recognised as account holder in accordance with article 468 of the Belgian Companies Code;

1.9 "**Securities Settlement System**" means the securities settlement system operated by the NBB or any successor thereto;

1.10 "**Voting Certificate**" means a certificate issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 8;

1.11 "**Written Resolution**" means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Notes outstanding; and

1.12 references to persons representing a proportion of the Notes are to Noteholders, proxies or representatives of such Noteholders holding or representing in the aggregate at least that proportion in nominal amount of the Notes for the time being outstanding.

General

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

2.1 For so long as the relevant provisions relating to meetings of bondholders of the Belgian companies code of 7 May 1999, as is in effect on the date of the Base Prospectus (the **Existing Code**), cannot be derogated from, where any provision of this Schedule would conflict with

the relevant provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.

2.2 Where any of the provisions of this Schedule would be illegal, invalid or unenforceable, that will not affect the legality, validity and enforceability of the other provisions of this Schedule.

Powers of meetings

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

3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);

3.2 to assent to any modification of the Conditions, the Notes or this Schedule proposed by the Issuer or the Paying Agent;

3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;

3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;

3.5 to appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers (or discretions which the Noteholders could themselves exercise by Extraordinary Resolution);

3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or to approve the exchange or substitution of the Notes into shares, bonds or other obligations or securities of the Issuer or any other person, in each case, in circumstances not provided for in the Terms and Conditions or in applicable law; and

3.7 to accept any security interests established in favour of the Noteholders or a modification to the nature or scope of any existing security interest or a modification to the release mechanics of any existing security interests.

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

(i) to amend the dates of maturity or redemption of the Notes or date for payment of interest or interest amounts;

(ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;

(iii) to assent to a reduction of the nominal amount of the Notes or a modification of the conditions under which any redemption, substitution or variation may be made;

(iv) to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment in circumstances not provided for in the terms and conditions of the Notes;

(v) to change the currency of payment of the Notes;

(vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution; or

(vii) to amend this proviso.

Ordinary Resolution

4. Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Noteholders shall have power by Ordinary Resolution:

4.1 to assent to any decision to take any conservatory measures in the general interest of the Noteholders;

4.2 to assent to the appointment of any representative to implement any Ordinary Resolution; or

4.3 to assent to any other decisions which do not require an Extraordinary Resolution to be passed.

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

Convening a meeting

6. The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Noteholders holding at least 20 per cent. in principal amount of the Notes for the time being outstanding. Every meeting shall be held at a time and place approved by the Paying Agent.

7. Convening notices for meetings of Noteholders shall be given to the Noteholders in accordance with Condition 8 (*Notices*) not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies or representatives obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

Arrangements for voting

8. A Voting Certificate shall:

8.1 be issued by a Recognised Accountholder or the Securities Settlement System;

8.2 state that on the date thereof (i) the Notes (not being Notes in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) and blocked by it, and (ii) that no such Notes will cease to be so held and blocked until the first to occur of:

(i) the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and

(ii) the surrender of the Voting Certificate to the Recognised Accountholder or the Securities Settlement System who issued the same; and

8.3 further state that until the release of the Notes represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Notes represented by such certificate.

9. A Block Voting Instruction shall:

9.1 be issued by a Recognised Accountholder or the Securities Settlement System;

9.2 certify that the Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and blocked by it and that no such Notes will cease to be so held and (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) blocked until the first to occur of:

(i) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and

(ii) the giving of notice by the Recognised Accountholder or the Securities Settlement System to the Issuer, stating that certain of such Notes cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

9.3 certify that each holder of such Notes has instructed such Recognised Accountholder or the Securities Settlement System that the vote(s) attributable to the Note or Notes so held and (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing three (3) Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;

9.4 state the principal amount of the Notes so held and (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and

9.5 naming one or more persons (each hereinafter called a "**proxy**") as being authorised and instructed to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in 9.4 above as set out in such document.

10. If a holder of Notes wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) block such Notes for that purpose at least three (3) Business Days before the time fixed for the meeting to the order of the Paying Agent with a bank or other depositary nominated by the Paying Agent for the purpose. The Paying Agent or such bank or other depositary shall then issue a Block Voting Instruction in respect of the votes attributable to all Notes so blocked.

11. No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.

12. The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Noteholder.

13. Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Notes held to the order or under the control and (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) blocked by a Recognised Accountholder or the Securities Settlement System and which have been deposited at the registered office at the Issuer not less than three (3) and not more than six (6) Business Days before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Notes continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates.

14. In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.

Chairman

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

Attendance

16. The following may attend and speak at a meeting:

    16.1 Noteholders and their agents;

    16.2 the chairman and the secretary of the meeting; and

    16.3 the Issuer and the Paying Agent (through their respective representatives) and their respective financial and legal advisers.

    No one else may attend or speak.

Quorum and Adjournment

17. No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

18. One or more Noteholders or agents present in person shall be a quorum:

18.1 in the cases marked "**No minimum proportion**" in the table below, whatever the proportion of the Notes which they represent; and

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

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

19. The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 17.

20. At least ten days' notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

Voting

21. Each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more persons representing 2 per cent. of the Notes.

22. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

23. If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

24. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

25. On a show of hands or a poll every person has one vote in respect of each Note so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

26. In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect and Publication of an Extraordinary Resolution

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

Minutes

28. Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

29. The minutes must be published on the website of the Issuer within fifteen (15) days after they have been passed.

Written Resolutions and Electronic Consent

30. For so long as the Notes are in dematerialised form and settled through the Securities Settlement System, then in respect of any matters proposed by the Issuer:

30.1 Where the terms of the resolution proposed by the Issuer have been notified to the Noteholders through the relevant clearing system(s) as provided in sub-paragraphs 30.1.1 and/or 30.1.2 below, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Paying Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (the "**Required Proportion**") by close of business on the Relevant Date ("**Electronic Consent**"). Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

30.1.1 When a proposal for a resolution to be passed as an Electronic Consent has been made, at least fifteen days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

30.1.2 If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Paying Agent. Alternatively, the Issuer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such

period as determined by the Issuer. Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 30.1 above. For the purpose of such further notice, references to "**Relevant Date**" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 7 above, unless that meeting is or shall be cancelled or dissolved.

30.2 To the extent Electronic Consent is not being sought in accordance with paragraph 30.1, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. For the purpose of determining whether a resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the clearing system(s) with entitlements to the Notes or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or with written instruction by the person identified by that accountholder for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the Securities Settlement System, Euroclear Bank, Clearstream or any other relevant alternative clearing system (the "**relevant clearing system**") and in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system or the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder or a particular principal or nominal amount of Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

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

CLEARING

The Notes are in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code. The Notes will be represented exclusively by a book entry in the records of the settlement system operated by the National Bank of Belgium or any successor thereto (the "**Securities Settlement System**"). The Notes can be held by their holders through the participants in the Securities Settlement System, including Euroclear Bank, Clearstream, SIX SIS and Monte Titoli and through other financial intermediaries which in turn hold the Notes through Euroclear Bank, Clearstream, SIX SIS, Monte Titoli or other participants in the Securities Settlement System. Possession of the Notes will pass by account transfer.

Payment of principal and interest in respect of Notes will be made in accordance with the applicable rules and procedures of the Securities Settlement system, Euroclear Bank, Clearstream, SIX SIS, Monte Titoli and any other Securities Settlement System participant holding interest in the relevant Notes, and any payment made by the Issuer to the Securities Settlement System or, in the case of payments in any currency other than euro or a currency which is participating in Target 2-Securities, to Euroclear Bank, Clearstream, SIX SIS and Monte Titoli will constitute good discharge for the Issuer. Upon receipt of any payment in respect of Notes, the Securities Settlement System, Euroclear Bank, Clearstream, SIX SIS, Monte Titoli and any other Securities Settlement System participant, shall immediately credit the accounts of the relevant account holders with the payment. Noteholders are entitled to exercise their voting rights and other associative rights (as defined for the purposes of Article 474 of the Belgian Companies Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear Bank, Clearstream, SIX SIS, Monte Titoli or another participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Notes (or the position held by the financial institution through which their Notes are held with the NBB, Euroclear Bank, Clearstream, SIX SIS, Monte Titoli or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes.

DESCRIPTION OF THE ISSUER

GENERAL

The Issuer is a public limited liability company organised under the laws of Belgium with company name "**Argenta Spaarbank NV**", in short "**Aspa**", with registered office at 2018 Antwerp, Belgiëlei 49-53, and is registered with the Crossroads Bank for Enterprises (BCE/KBO) under number BE0404.453.574 (RPR Antwerp, division Antwerp). The registered office can be contacted by phone on the number +32 3 285 51 11. The Issuer's LEI Code is A6NZLYKYN1UV7VVGFX65.

The Issuer was incorporated under the name "Kredietmaatschappij Fiducia" for an indefinite time by notarial deed executed by notary Emile Lemineur in Antwerp on 18 April 1956, published in the Annexes to the Belgian Official Gazette on 9 May 1956 under number 10639, and by notary Maurice Van Zeebroeck in Antwerp on 24 November 1956, published in the Annexes to the Belgian Official Gazette on 13 December 1956 under number 29036.

The Issuer is a duly licensed Belgian credit institution, and is under the supervision of the National Bank of Belgium (the "**NBB**") for prudential matters, the Belgian Financial Services and Markets Authority with regard to conduct of business rules and financial market supervision, and the European Central Bank (the "**ECB**") with regard to certain banking regulations.

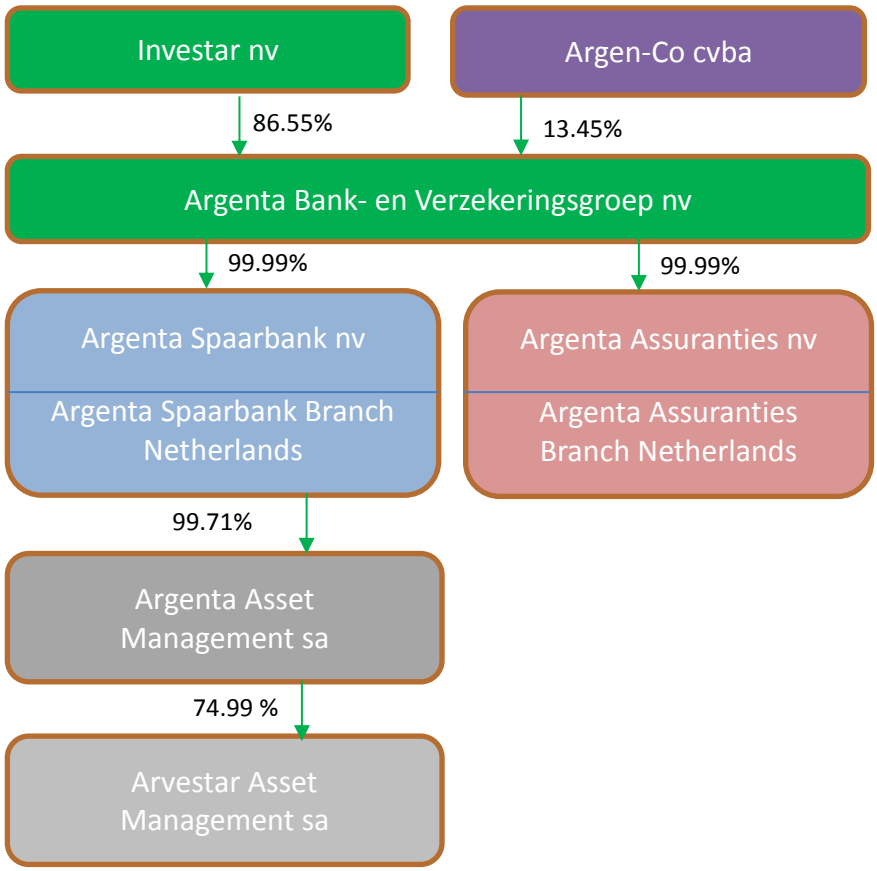
On 30 November 2018, the share capital of the Issuer was seven hundred seventy million nineteen thousand and four hundred euros (EUR 770,019,400) and was represented by 168 975 shares. The shares are held by Argenta Bank- en Verzekeringsgroep NV (holding 99.99%). The shares of the Issuer are not listed.

At the end of 2017, total consolidated balance sheet of Argenta Bank- en Verzekeringsgroep NV and its subsidiaries (including the Issuer) (the "**Argenta Group**") amounted to EUR 44,068,267,670 and for the Issuer to EUR 37,626,159,937.

ORGANISATIONAL STRUCTURE OF THE ARGENTA GROUP

Organisational structure

The Issuer is part of the Argenta Group. The corporate organisational chart of the Argenta Group can be depicted as follows:



A list with details of the various group companies is provided further in this Base Prospectus.

At the date of this Base Prospectus, Investeringsmaatschappij Argenta NV ("**Investar NV**"), a mixed financial holding, holds 86.55% of the shares in Argenta Bank- en Verzekeringsgroep NV (the "**Parent**"), with the remainder of the shares owned by Argenta Coöperatieve CVBA ("**Argen-Co**"), which is a recognised cooperative undertaking in accordance with the Act of 20 July 1955 on a National Council for Cooperatives.

The Parent is the holding company of the Argenta Group. Its operational activities consist of group-level control functions (i.e. internal audit, compliance and integrity, risk and validation, legal affairs and organisation and talent).

The Parent co-ordinates and provides joint management of the operations of its subsidiaries: the Issuer and Argenta Assuranties NV ("**Aras**").

The Parent is a mixed financial holding within the meaning of article 3, 39° of the Belgian Banking Law.

The Issuer has one subsidiary: Argenta Asset Management S.A. In addition, the Issuer has a branch office in the Netherlands. The Issuer, its subsidiary and branch office form the "**Bank Pool**".

Argenta Asset Management S.A. is a Luxembourg company which is responsible for the management and central administration of the Argenta Group's collective investment undertakings, i.e. Argenta Fund sicav and Argenta Portfolio sicav, which are open-end investment undertakings under Luxembourg law. The latter is a

fund of funds (also known as an umbrella fund). This means that the assets of various sub-funds are invested in other collective investment undertakings.

On 30 July 2018 a new company Arvestar Asset Management NV ("**Arvestar**") was established within the Argenta Group. Arvestar is a UCITS and AIF management company under Belgian law and is a joint venture between Argenta Asset Management S.A. and Degroof Petercam Asset Management SA/NV ("**DPAM**"). The Issuer has previously outsourced the management of its pension savings funds Argenta Pensioenspaarfonds ("**Arpe**") and Argenta Pensioenspaarfonds Defensive ("**Arpe Defensive**") to DPAM. In view of the substantial volume of these funds, the Issuer and DPAM considered that it was desirable to create a separate control structure. Arvestar manages the Issuer's pension funds since 1 November 2018.

Arvestar was founded as a subsidiary of Argenta Asset Management S.A., where the asset management within the Argenta Group is centralised. Argenta Asset Management S.A. itself remains responsible for the management of the Argenta Fund sicav and the Argenta Portfolio sicav.

Aras is a duly licensed Belgian insurance undertaking. Aras has a branch office in the Netherlands. Together they form the "**Insurance Pool**". The Bank Pool has no claims on the Insurance Pool, and at present the Insurance Pool does not give financial support to the Bank Pool.

The Argenta Group has various interrelations. The Parent, the Issuer and Arasoperate centralised and share operational departments; the main "shared" departments are ICT, human resources and facilities, as well as all group risk functions.

Overview of the Argenta Group entities

ARGENTA BANK- EN VERZEKERINGSGROEP

HOLDING COMPANY
naamloze vennootschap (public limited liability company) Belgiëlei 49-53
B-2018 Antwerpen
BE 0475.525.276, RPR Antwerp, division Antwerp

Argenta Spaarbank NV (the Issuer)

CREDIT INSTITUTION
naamloze vennootschap (public limited liability company) Belgiëlei 49-53
B-2018 Antwerp
BE 0404.453.574, RPR Antwerp, division Antwerp

Argenta Assuranties NV

INSURANCE UNDERTAKING
naamloze vennootschap (public limited liability company) Belgiëlei 49-53
B-2018 Antwerp
BE 0404.456.148, RPR Antwerp, division Antwerp

Argenta Asset Management

MANAGEMENT COMPANY
société anonyme (public limited liability company) under the laws of Luxembourg
27, Boulevard du Prince Henri L-1724
Luxembourg
Luxembourg Trade Register no. B 35185

Arvestar Asset Management NV

MANAGEMENT COMPANY
naamloze vennootschap (public limited liability company)
Guimardstraat 19,
B-1040 Brussels
BE 0700.529.248, RPR Brussels

Argenta Assuranties' Dutch branch office: Branch office Netherlands
Stadionstraat 2,
NL-4815 NG Breda

Argenta Spaarbank's Dutch branch office: Branch office Netherlands
Stadionstraat 2,
NL-4815 NG Breda

BUSINESS OVERVIEW OF THE ARGENTA GROUP

Key facts and figures of the Argenta Group

The Issuer is a Belgian systemic financial institution ("**D-SIB**") and forms part of the 118 banks that are subject to the direct supervision of the ECB.

Argenta Group's strategy consists in the offering of financial products, such as savings- and investment products, loans and insurance products, to families, and, to a lesser extent, to self-employed persons. It is the fifth largest bank in Belgium in terms of deposits (source: https://banks.bvdinfo.com/version-20181026/home.serv?product=OrbisBanks) and has 1042 employees.

The Argenta Group has been active in Belgium since 1956 and in Luxemburg since 1987. It has been active on the Dutch mortgage market since 1997 and attracts savings in the Netherlands since 2004. All group activities exclusively consist of financial activities relating to attracting savings, granting loans, distribution of collective investments and offering life and non-life insurance products. Belgian customers are serviced through a network of independent agents (481 offices), who together employ 1493 people. Dutch customers are serviced through third party distribution and online direct channels.

The banking activities (provided through the Bank Pool) are mainly focused on attracting funds from the retail market on the one hand and investing such funds in mortgage credits on the other hand. Besides its classic banking activities, the Issuer also sells fee income generating products, such as UCITS. This allows the Argenta Group to diversify its profit generation.

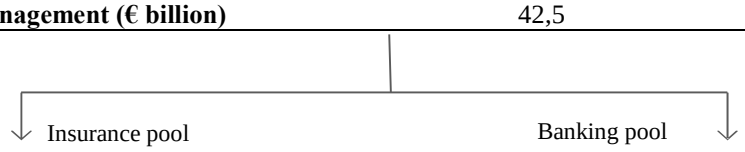
The insurance activities (provided through the Insurance Pool) consist of both life insurance products and health and indemnity insurances (more in particular, car insurances, civil liability, property, hospitalisation). The Insurance Pool had total assets of around EUR 6.8 billion as at 31 December 2017.

With over 1.72 million customers, credit risk is spread over a large number of clients and there are no individual clients with a substantial potential for loss.

The Issuer has a solid financial position. The consolidated IRB-based CET1 ratio of the Issuer stood at 24.2% as of 30 June 2018 (Basel III). Despite continued pressure on the Net Interest Income ("**NII**") due to the low interest rate environment, the Issuer has been able to maintain a solid Return on Equity ("**RoE**") of 7.2% for the period ended on 30 June 2018.

The following chart summarises key facts and figures for the Argenta Group on a consolidated basis under IFRS:

€ millions	**31 December 2016**	**31 December 2017**
Total assets	42,310	44,068
Shareholder's equity	2,598	2,758
Net income	246	193
C/I ratio (excl. bank levies)	51% (41%)	58% (46%)
CET1 ratio (Danish compromise)(fully loaded)	26.0%	25.4%
Customer Assets under Management (€ billion)	42,5	44,1



€ millions	31 December 2016	31 December 2017	€ millions	31 December 2016	31 December 2017
Total assets	6,480	6,791	**Total assets**	36,156	37,626
			Shareholder's equity	1,841	1,972
			Deposits (incl. non-subordinated term products)	32,827	34,339
Shareholder's equity	628	656			
Gross premiums life[1]	512	639	**Loans to customers**	26,522	27,637
Gross premiums non-life	128	135	**Net income**	190	139
Net income	59	71	**RoE**	11.4%	7.5%
RoE	10.2%	11.6%	**CET1 (IRB fully loaded)**	26.7%	25.9%
Solvency ratio	289%	276%	**S&P rating**	A-	A-

Notes
1) Gross premiums life including branch 23 insurance premium income

BUSINESS OVERVIEW OF THE ISSUER

Principal activities of the Issuer

As a credit institution, the Issuer's core activities consist of attracting funds, offering loans (primarily mortgage loans to retail clients) and providing payment services.

In addition, the Issuer offers fee income generating products: Argenta products (units in pension funds Arpe and Arpe Defensive, Argenta-Fund sicav, Argenta Portfolio sicav) as well as units in other collective investment institutions from third parties.

The Issuer's activities are concentrated on attracting funds through:

- *Current accounts.* The Issuer offers the following current account: "Giro +" account.
- *Savings accounts.* The Issuer offers the following regulated savings accounts in Belgium: the "Maxi" account and the "E-spaar". The Issuer also offers the regulated savings account "Growth" account and the non-regulated saving account "Plus", albeit not actively.
- *Term deposits and savings bonds ("non-subordinated term products").* The Issuer offers term deposits. Furthermore, it holds a portfolio of savings bonds for which no new offering occurs. As a consequence, the saving bonds portfolio is in run-off.
- *Subordinated certificates.* The Issuer offered subordinated certificates in the past, but has no plans for new offerings to retail clients.
- *Units in collective investment institutions (UCITS).* In its capacity as a distributor, the Issuer sells units of various third party Belgian and foreign collective investment institutions in Belgium, including investment companies with a variable number of shares (*bevek / sicav*) and mutual investment funds.
- *Structured securities.* The Issuer has acted as a distributor of structured securities issued by third parties in the past. The Issuer has no plans to pursue the distribution of structured products at this moment.

More than 90% of the Issuer's funding is attracted from a diversified group of more than 1.72 million retail clients.

In order to diversify funding further and to support future mortgage production, the Issuer decided to securitize Dutch mortgage loans. Recently, two Residential Mortgage-Backed Security ("**RMBS**") transactions were concluded with the following details:

-Green Apple 2017-I NHG

Green Apple 2017-I NHG BV issued on 5 October 2017 residential mortgage backed notes for a notional amount of EUR 1.2 billion (class A notes) with an interest rate of Euribor 3 months plus 40 basis points. The notes were placed with institutional investors. The notes are outstanding up to 2056 with a prepayment option from 17 March 2024 onwards (being the first optional redemption date).

-Green Apple 2018-I NHG

Green Apple 2018-I NHG BV issued on 26 June 2018 residential mortgage backed notes for a notional amount of EUR 1 billion (class A notes) with an interest rate of Euribor 3 months plus 40 basis points. The notes were placed with institutional investors. The notes are outstanding up to 2057 with a prepayment option from 17 January 2025 onwards (being the first optional redemption date).

The attracted funds are allocated by the Issuer through mortgage loans to primarily private customers and self-employed persons. These loans are intended for the purchase of a residence, a plot of land or residential renovation. In addition, the Issuer invests the attracted funds primarily in investment grade fixed-income securities of governments, financial institutions and other enterprises.

The Issuer's loan portfolio of EUR 28.6 billion as of 30 June 2018 is covered by EUR 33.9 billion customer deposits, resulting in a solid loan to deposit ratio of 86%.

Main geographical markets

The geographical markets in which the Issuer actively markets to clients are Belgium and the Netherlands. The table below gives the split of total funding and mortgage origination between both countries:

Loans and Receivables outstanding

(€ billion)	**30 June 2018**	
Belgium	12.8	45%
Netherlands	15.8	55%
Total	**28.6**	**100%**

Funding

(€ billion) Belgium	30 June 2018	
Current and savings deposits	28.4	76%
Debt certificates	0.5	5%
Non-subordinated term products	2.1	11%
Total Belgian deposits	31.0	91%
Netherlands		
Current and savings deposits	2.0	7%
Non-subordinated term products	0.9	2%
Total Dutch deposits	2.9	9%
Total deposits	33.9	100%
Subordinated debt certificates	0.1	
Securitization funding	2.1	
Subordinated debt	0.5	
Total	36.6	

Credit Rating

The Issuer's current rating by S&P Global Ratings Europe Limited ("**Standard & Poor's"**) is A- (positive outlook) for the long-term rating and A-2 for the short-term rating.

Ratings are subject to change. Investors should look at http://www.argenta.eu/credit-ratings/ for the most recent rating and for the underlying full analysis provided by Standard & Poor's to understand the meaning of the rating.

Standard & Poor's is established in the European Union and is included in the updated list of credit rating agencies registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies published on the European Securities and Markets Authority's ("ESMA") website (http://esma.europa.eu/page/List-registered-and-certified-CRAs).

The description of the rating can be found on the website of Standard & Poor's. No information from such website is deemed to be incorporated by reference in or forms part of this Base Prospectus. The Issuer does not take any responsibility for the information contained in such website.

Performance

Despite the continued pressure on net interest income in a low interest rate environment, the Issuer has been able to realise strong results over the recent periods.

The Issuer's balance sheet grew further in the first half of 2018. Total funding increased by EUR 1.6 billion in Belgium and the Netherlands in 2018, mainly due to the securitization transaction Green Apple 2018-I NHG.

Loan portfolio

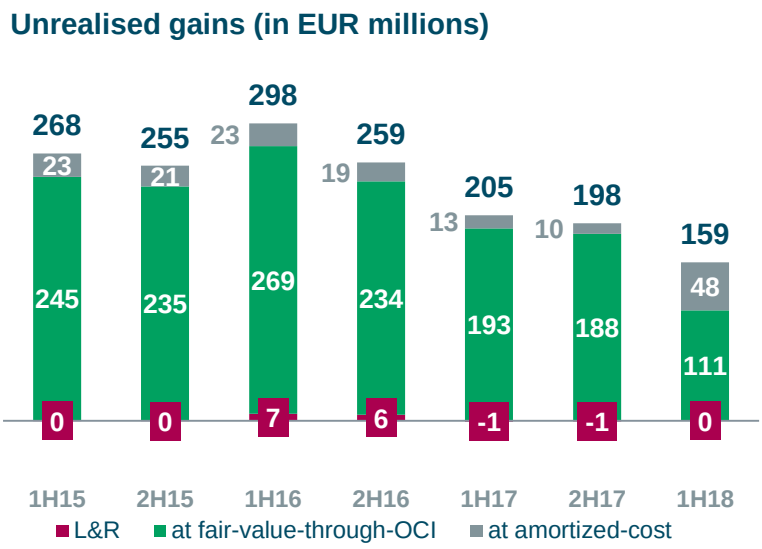
The portfolio of loans to customers increased firmly in the first half of 2018, by more than EUR 0.9 billion, as a result of the high production in mortgage loans. Moreover, it remained of very good quality: more than 90% of the total mortgage portfolio has a 'Loan to Value' (LTV) of less than 90% or has a Dutch State guarantee (the so called NHG Guarantee).

The Issuer continues to adopt a conservative loan acceptance policy. The total loan loss reserve, including stage 1 and stage 2 provisions for performing loans and specific provisions for non-performing loans, decreased to EUR 28.1 million at 30 June 2018 from EUR 31.1 million at 30 June 2017, which is 0.10% of the outstanding amount (from 0.11% as at 30 June 2017). Total provisions decreased by EUR 3 million despite an IFRS 9 transition effect of EUR 8.6 million at 1 January 2018.

The gross Non-performing Loans ratio of the mortgage portfolio in the Netherlands remains very low, at 0.5% as of 30 June 2018. The Issuer's ratio in Belgium decreased from 0.7% in the first half of 2017 to 0.5% in the first half of 2018.

(Re)investment portfolio

The below graph provides an overview of the unrealised gains divided into loans and receivables ("**L&R**"), at fair value through other comprehensive income ("**OCI**") and at amortised cost. The below data is presented on a half yearly basis.

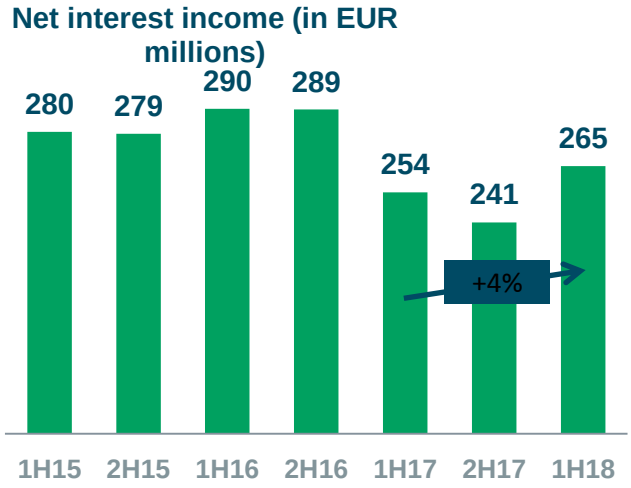


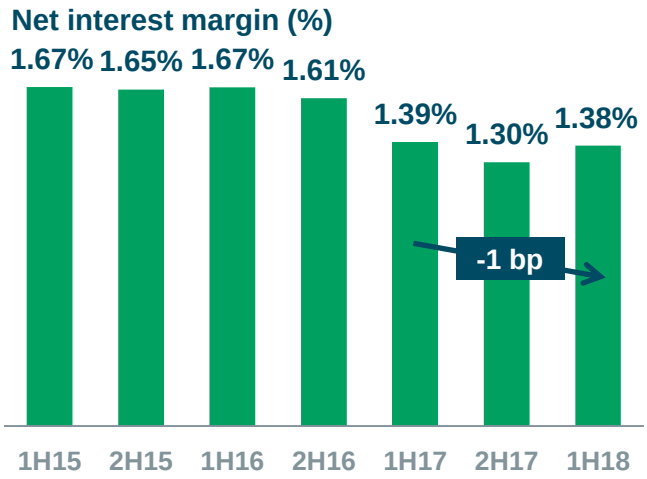
At 30 June 2018, 98% of the investment portfolio was investment grade, 37% of the portfolio was rated AA and 34% was invested in government debt, 92% of the portfolio was invested in the European Economic Area and investments were exclusively in euros, so no foreign exchange risk exists. The unrealised capital gains were EUR 159 million at 30 June 2018. The Issuer continues to work on diversification in terms of loans to local governments, corporates and PPP (public private partnerships).

At 30 June 2018, the investment portfolio increased by EUR 0.6 billion with reinvestment of securitisation proceeds in highly liquid assets to support the liquidity position and enable further mortgage loan growth.

Net Interest Income, Net Interest Margin and net profit

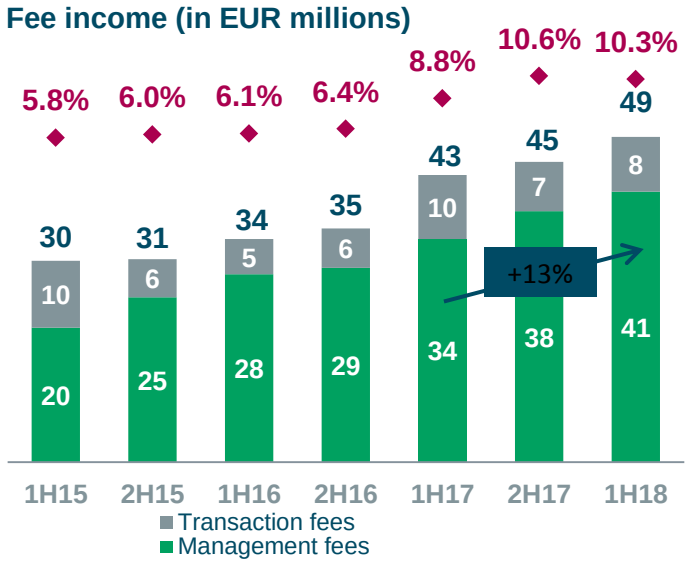
The following two graphs provide an overview of the Net Interest Income ("**NII**") and the Net Interest Margin ("**NIM**") on a half yearly basis.





The NII as at 30 June 2018 amounted to EUR 265 million, up from EUR 254 million as at 30 June 2017. Despite the low interest rate environment, the NIM decreased with only 1 basis point to 1.38% as at June 2018. In comparison with the second half of 2017, there was an increase in NIM of 8 basis points (from 1.3%) due to the circumstance that the continued pressure on new loan margins on mortgages and lower reinvestment yield in the reinvestment portfolio was more than compensated by the diversification of funding sources to wholesale funding[1] and the decrease of hedging cost[2].

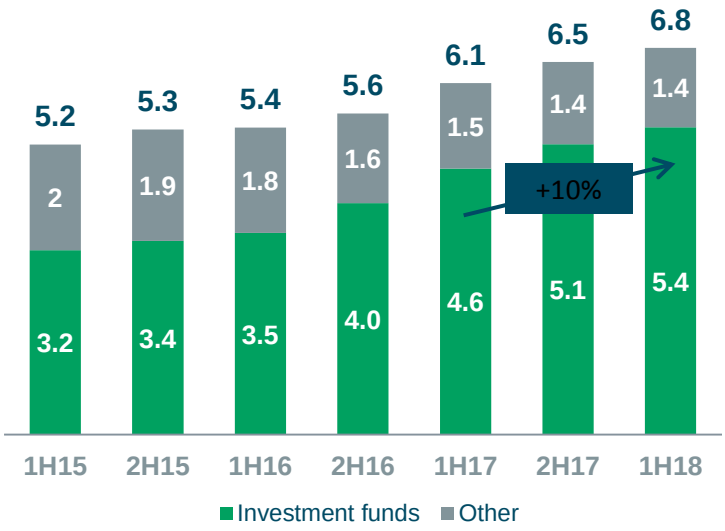
The below graph provides an overview of the fee income divided into transaction fees and management fees, on a half yearly basis. The percentage represents the net fee/operating income.



The below graph provides an overview of the growth in assets under custody, on a half yearly basis.

1 EUR 2.1 billion securitisation
2 Maturity of a legacy interest rate swap

Assets under custody (in EUR billions)



Investments in funds are promoted in order to diversify the returns and the product offer for clients. Clients' interest for these products is rising. The portfolio grew by 10% year-on-year as at 30 June 2018, from EUR 6.1 billion as at 30 June 2017 to EUR 6.8 billion as at 30 June 2018. Net income from those funds increased from EUR 43 million as at 30 June 2017 to EUR 49 million as at 30 June 2018, which corresponds to an annual growth rate of 13%.

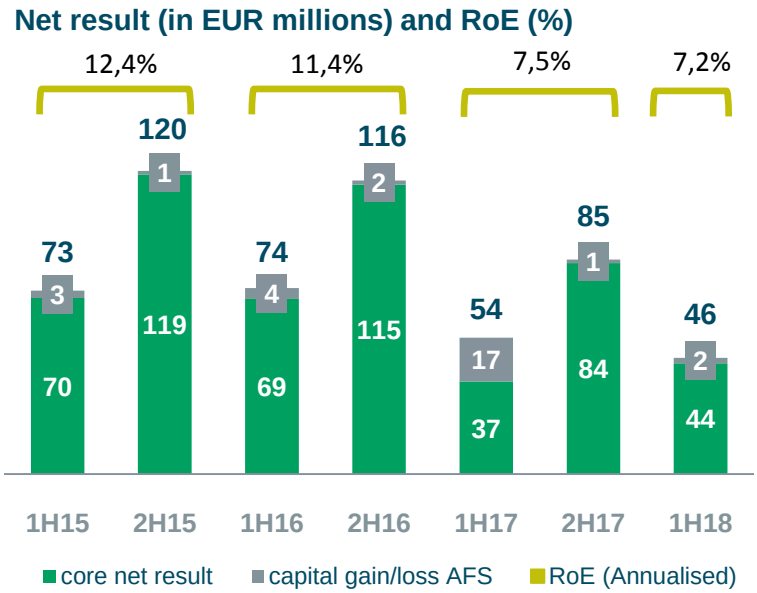
The Issuer continued heavy investments in digital and new core banking systems and in the professionalization of services. This resulted in increased operating expenses of 11% as a result of investments in staff, IT expenses and bank levies. A new banking platform was released in April 2018.

The Cost/Income Ratio amounted to 53%, while bank levies increased this ratio to 66% as at 30 June 2018, up from 61% the year before.

The Issuer's adjusted net profit[3] was EUR 71 million as at 30 June 2018, which is EUR 6 million lower than last year.

The below graph provides an overview of the net result divided into core net result and capital gain/loss AFS and the RoE. The data is presented on a half yearly basis.

[3] Adjusted for IFRIC 21 (full year bank levies are not recognised as at 1 January, but linearly spread over the accounting year) Net profit amounts to EUR 46 million as at 30 June 2018, EUR 8 million lower than last year



Strategic vision and targets

The Issuer offers simple and transparent products. The long-term relationship with tied agents with a focus on relationships and proximity delivered a stable client base during the crisis. Starting from these values, emphasis for the coming years will be on:

- Increased digitalisation
- Reinforce distribution by further increasing the first banking relationship and cross-selling
- Better understand client needs and accelerate the move from product to client approach, including financial planning
- Educational programs and quality certification for tied agents
- Income diversification
- More sophisticated advice to affluent clients.

The following table presents certain of the Issuer's key long-term targets. These targets are not forecasts or predictions of future performance. These targets are based on levels of performance that management believe are reasonable and achievable. They may be amended at any time. Actual performance is subject to many factors, including general economic and other factors which are beyond the Issuer's control, including those set out in "Risk Factors" and elsewhere in this Base Prospectus. Accordingly, there is no guarantee that such targets will be met, and meeting or exceeding the targets in any financial period does not mean that such targets will be met in future periods. Failure to meet any of these financial targets on a continuing basis may have a material adverse effect on the Issuer's business, results of operations and financial condition.

Issuer's quantitative targets	**Target**	**As of 30 June 2018**	**As of 31 December 2017**
Return on Equity	>8%	7.2%	7.5%
CET1 ratio[1]	>18%	24.2%	25.9%
Total Capital ratio[1]	>20%	30.6%	32.6%
Leverage ratio	>4%	4.7%	4.9%
Net Stable Funding Ratio	>120%	145%	143%
Liquidity Coverage Ratio	>125%	195%	162%

Issuer's quantitative targets	Target	As of 30 June 2018	As of 31 December 2017
Cost/Income Ratio (ex bank levies)	40%	53%	51%
Net Interest Margin (NIM)	>1.4%	1.38%	1.34%

Notes
1) Basel III (IRB) fully loaded

RISK MANAGEMENT

General

Professional and comprehensive risk management are an essential prerequisite for sustainable, profitable growth. The Argenta Group recognises this and views risk management as one of its core activities.

The risk management framework is constantly updated and adjusted on the basis of new regulations, daily experiences and changes in Argenta Group's activities, including changes resulting from sustainable choices made by Argenta Group entities (and which always tie in with Argenta Group's activities as a bank-insurer). Demonstrating that adequate risk management procedures are in place is a key condition for acquiring and retaining the trust of all stakeholders: customers, investors, branch managers (tied agents), supervisory authorities and rating agencies, as well as directors, managers and employees.

Risk management consists of managing risks, comprising the cycle of identifying, evaluating, managing and monitoring risks to which the Argenta Group or one of the Argenta Group entities can be exposed. This risk management is based on:

(a) a clearly described management strategy that is consistent with the overall corporate strategy of the Argenta Group (including the Issuer). The objectives and fundamentals of that strategy, the approved risk tolerance limits and the division of responsibilities between all the activities of the Argenta Group are established in charters and related documents;

(b) a Risk Appetite Framework ("**RAF**") that is strongly embedded in the business plan process cycle: filling in the risk appetite matrix, translation into proactive RAF targets, testing against the business plan iterations and, finally, risk assessment.

(c) a direct link that exists between the RAF risk indicators and, on the one hand, the International Capital Adequacy Assessment Process ("**ICAAP**") and the International Liquidity Adequacy Assessment Process ("**ILAAP**") for the Issuer and, on the other hand, the policy documents via the further translation into operational risk limits;

(d) a well-defined procedure for the decision-making process, including a hierarchy of limits and an escalation framework;

(e) written policies that effectively describe and classify by category the material risks to which the Argenta Group is exposed, and which specify the approved risk tolerance limits for each risk category. These policies implement Argenta Group's risk strategy, provide for control mechanisms and take into account the nature, scope and timing of the business activities, as well as the associated risks;

(f) reporting procedures and processes that ensure that the information on the risks to which Argenta Group (or any of its entities) is exposed and the effectiveness of the risk management system are actively monitored and analysed, and that appropriate changes are made to the system if necessary. This also includes processes (e.g. RAF - reporting and specific dashboards) for establishing any deterioration of the financial and non-financial risk conditions and for informing the relevant stakeholders, including the regulator, immediately when such a deterioration occurs;

(g) co-ordination between the independent control functions Compliance, Risk Management, Actuarial function and Internal Audit, which are centrally organized at Argenta Group level.

Governance

The strategy and long-term policy of all entities within the Argenta Group are determined by the executive committee and board of directors of the Parent. The two main subsidiaries, the Issuer and its sister entity Aras, are responsible for the operational management within their own areas of competence as established in the Memorandum of Internal Governance.

The executive committees of the Issuer, Aras and the Parent are integrated, with a number of members in common: the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Chief Risk Officer (CRO). The Chief Operating Officer (COO), Chief Commercial Officer (CCO) and Chief Information and Digital Officer (CIDO) work for both the Issuer and Aras, but not for the Parent.

This unity of management highlights the importance of a commercial, risk and financial strategy that is harmonised group-wide, with an emphasis on the long-term relationship with both customers and the self-employed branch managers.

Group risk management takes place, in addition to the independent Internal Audit, Actuarial and Compliance control functions, mainly at Argenta Group level. The risk management function supervises and controls the first line in respect of risk management and provides supporting risk advice. This function is performed by the Risk & Validation department and the ORM (operational risk management) & Supervisory Office department under the hierarchical responsibility and supervision of the CRO. Along with second-line control, risk model validation is one of the core activities of the Risk & Validation department.

Relevant risk management bodies and control functions are:

(a) The Group Risk Committee ("**GRC**") is responsible for discussing, monitoring and managing the various identified risks. The Group Risk Committee deals monthly with a number of themes, e.g. capital risk, model risk, non-financial risks, to achieve better coordination, monitoring, follow-up, awareness-raising, adjustment and policy preparation at the various risk levels;

(b) The Asset & Liability Committee ("**Alco**") is responsible for monitoring and managing the risks (interest, liquidity and investment portfolio) that impact the current and future profits and capital position with the exception of insurance risks which are managed by the Insurance Risk Committee;

(c) Alco is assisted by the Investment Committee ("**IO**") and the Rating Committee ("**RO**");

(d) The Insurance Risk Committee ("**VRC**") is responsible for discussing, monitoring and managing the underwriting risks;

(e) The Credit Risk Committee ("**Kreco**") is a consultative body with decision-making authority on all aspects of credit risk policy regarding retail credits, i.e. credit risk analysis & control, quantification (including the embedding of the probability of default ("**PD**"), loss given default ("**LGD**") and exposure at default ("**EAD**") internal models) and reporting on this;

(f) Pricing Committees ("**Prico**") are responsible for the pricing of retail asset and liabilities products, the monitoring of the production objectives and the evolution of the commercial environment;

(g) The Product Committee ("**Proco**") monitors the implementation of the Product Approval and Review Process ("**PARP**").

Argenta Group operates as a bank-insurer and asset manager. As such it is exposed to various risks. The group risk management distinguishes between credit risk, market risk, liquidity risk, subscription risk, operational risk and other risks. The risk management policy and attendant organisational structure are designed to ensure that the identified risks are always properly identified, analysed, measured, monitored and managed. For an overview of such risks, Noteholders are invited to consult the *Risk Factors* section of this Base Prospectus.

Liquidity risk management

Liquidity risk is the risk of loss, or of an adverse change in the financial situation, as a direct or indirect consequence of insufficient liquidity being available to meet financial obligations. This may be the result of:

(a) an unexpected prolongation of the outstanding receivables, e.g. a loan default;

(b) the risk, in the Bank Pool, of a greater portion of credit lines being drawn down or more savings deposits being withdrawn;

(c) the risk, in the Insurance Pool, that payment obligations increase owing to a rising number of claim events, or early retirements or surrenders, as a result of which Aras is unable to meet its payment obligations;

(d) the risk that the necessary financing transactions cannot be undertaken (or can be undertaken only at disadvantageous conditions);

(e) the risk that assets can be liquidated only at a severe mark-down, owing to a shortage of interested counterparties on the market.

The liquidity management and the liquidity risk management of the Bank Pool are centralised at the Issuer.

The Asset and Liability Committee ("**Alco**") monitors the liquidity indicators on a permanent basis. The management framework is clearly defined and detailed in the financial policy. First-line responsibility for the measuring, monitoring, checking and reporting of the liquidity risk lies with the Asset and Liability Management ("**ALM**") department. The second-line responsibility lies with the Risk department. The management of the liquidity position falls under the authority of the Treasury department.

For measuring, monitoring, checking and reporting on the liquidity risk, the Issuer has a specially adapted management information system ("**MIS**"), including a contingency plan, in order to be able to adequately manage its liquidity in both normal and exceptional circumstances. In addition to the extensive regulatory reporting, extensive internal reporting has also been developed. In this way, management and stakeholders are aware of the evolving situation.

The daily liquidity management, the definition of additional Early Warning Indicators ("**EWIs**"), operational limits or flashing lights, and the organisation of stress tests are included in the Liquidity Contingency Plan. Daily funding reports are distributed to a broad target group within the Issuer.

The liquidity risk appetite is managed in the Issuer's RAF by flashing light levels on three risk indicators, namely:

(a) The Liquidity Coverage Ratio ("**LCR**") tests the liquidity buffer against a pre-defined net outflow of financial liabilities over a 30 day period;

(b) The Net Stable Funding Ratio ("**NSFR**") compares available liquidity against required liquidity over at least one year; and

(c) The Asset Encumbrance Ratio ("**AER**")compares the amount of unencumbered assets with the volume of protected deposits;

In addition to the aforementioned RAF indicators, further EWIs, operational limits and flashing lights have been defined internally.

In 2015, the NBB established minimum thresholds, the height of which is a function of the importance of protected deposits within a bank's overall funding structure. As a category 2 bank, the Issuer is required to respect a minimum threshold of 90% (recovery plan) and 95% (flashing light) (total balance sheet Aspa solo/DGS eligible deposits) within the strict application of the AER.

As of 30 June 2018, the Issuer's consolidated LCR stood at 195% and its NSFR was at 145%.

The Issuer's AER within the strict application is at 107.80% and at 111.50% within the broader application at 30 June 2018. The AER is only monitored on a non-consolidated basis.

The daily liquidity management, the definition of EWIs, and the organisation of stress tests are described in the Liquidity Contingency Plan.

Daily reports on the funding situation are distributed to a wide target audience, including all members of the Executive Committee. Discussion on the liquidity indicators is a fixed agenda item for the monthly Alco meeting. Overall, senior management is involved in liquidity management on a continuous basis.

Market risk management

Interest rate risk

The principal market risk is the Issuer's interest rate risk, which primarily results from changes in market prices on investments and liabilities, unexpected changes in investment yields and changes in the correlation between the interest rates of various financial instruments.

As a financial services group headed by a mixed financial holding, both the earnings and the capital position of the Argenta Group are subject to fluctuations caused by market risks. Interest rate fluctuations affect the return that the Argenta Group earns on fixed interest investments, and can also affect the value of the Argenta Group's investment portfolio. The professional management of these market risks (considering the specific strategic positioning of the Issuer as a savings bank), is mainly geared towards the judicious management of interest rate risk as the principal component of market risk.

The Alco is responsible for monitoring the interest rate risk. It carries specific responsibilities for monitoring the daily management of the financial position, on which it reports to the Executive Committee. It has a permanent remit to maintain both the income sensitivity of the Net Interest Income and the market-value sensitivity of equity within set limits.

In its risk measurement and management, the Alco takes into account the various components of the interest rate risk contained in the balance sheet of the Issuer. These include the repricing risk (risk from interest rate mismatch between assets and liabilities), the yield curve risk (risk from non-parallel movement of the interest rate curve), the option risk (risk from the implicit and explicit options on the balance sheet) and the basic risk (risk arising from the use of various reference indexes on the basis of which the asset and liabilities products are repriced).

This option risk set out above includes both the risk deriving from explicit options (interest rate caps, swaptions and interest rate swaps to hedge the interest rate risk) and implicit options (related to the mortgage loan portfolio). In the ALM department these risks are monitored and managed by means of scenario analysis.

In order to keep market sensitivity within the risk appetite approved by the Board of Directors for the Issuer and within the legal limits, endogenous and exogenous, ALM hedges are concluded. In endogenous hedging, the control is exercised via the duration of the asset and liability balance sheet items. Exogenous hedging involves using derivative instruments to manage the interest rate risk. This exogenous hedging serves to supplement the permanent aim of a maximally endogenous management of the balance sheet. The combination of endogenous and additional exogenous ALM hedging ensures that the Issuer's commercial strategy fits entirely within the approved RAF.

For strategic reasons, the Argenta Group intends to diversify its dependence on interest income and interest rate trends. For this reason, a greater emphasis is placed on fee business, particularly the sale of off-balance sheet products, where the financial risk is borne by the client. The addition of fee business (or "Investments") as a key market sector, alongside "Savings and payments", "Loans" and "Insurance", diversifies the Issuer's income and improves its earnings quality.

Spread widening risk

The return on the investment portfolio is largely determined by the credit spread earned on the investments made. The evolution and fluctuations of the credit spread are often market driven and determined by factors other than those relating to the creditworthiness of the Issuer. These market risk factors induce spread widening risk.

Alongside the pure interest rate, they are the main driver of asset returns and the economic value of the investment portfolio.

The pursuit of a cautious investment policy, frequent monitoring of the fluctuations in the economic value of the investment portfolio and measuring the sensitivity of changes in credit spreads are therefore important pillars of healthy portfolio management.

The conduct of a sound investment policy is guided by a strict investment framework that determines, based on the creditworthiness of the Issuer, the permissible investment level and maximum maturity. This investment policy is shaped by a thorough analysis of the credit sectors and investment files and an active screening of market opportunities.

The evolution of the market value of the investment portfolio is monitored in the Alco. Credit spread sensitivity is calculated and monitored in the ICAAP and Own Risk & Solvency Assessment Process ("**ORSA**") framework and the credit quality of the investments is checked against asset quality limits defined in the RAF.

Equity risk

From a strategic allocation perspective, equities complement the existing bond and loan portfolios and are intended to optimise the risk return profile of the portfolio. Within the investment framework and subject to compliance with strict investment criteria, the Issuer has the possibility to take equity positions into its investment portfolio.

This portfolio of individual shares is being built up gradually over time and is managed within a rigorous risk management framework, including limits on size, permitted sectors, market capitalisation and concentration.

The price risk is controlled by subjecting the equity investments to a thorough analysis of underlying fundamentals and by framing the investment policy within the approved risk appetite and assigned limits.

Property risk

The evolution of real estate prices has an influence on lending to individuals and also influences the credit risk through the giving of property as collateral. As a mortgage provider, the Issuer owns a concentration in lending

to private individuals in Belgium and the Netherlands, more particularly in the form of retail mortgage lending. This makes the Issuer dependent on developments in the housing market.

In addition, the investment framework allows a portfolio of indirect investment properties to be maintained. These are not investments in buildings but loans to counterparties operating in real estate, within the context of a cautious credit policy. Within this limited framework, loans are granted to real estate counterparties.

These real estate investments are managed within a rigorous risk management framework, including limits on investment types and concentration.

Currency risk

Argenta Group only operates in the Benelux countries, holding investments that are exclusively denominated in euro, which explains the absence of currency risk. There is no intention to take positions in currencies other than euro in the near future.

Credit risk management

Credit risk is the risk of loss, or of adverse change in the financial situation, as a direct or indirect consequence of a decline in the creditworthiness of issuers (or guarantors) of securities, of counterparties and of debtors.

This risk arises in both traditional lending and in investment activities (other interest-bearing assets). It is linked to a large part to the Issuer's activities.

For the Issuer, there are essentially three segments of importance for credit risk: (i) the retail market and in particular the retail mortgage lending market (in both Belgium and the Netherlands), (ii) the investment portfolio, and (iii) the portfolio of loans to local and regional authorities and (selectively) to corporates. Credit risk management is therefore focused on these three segments.

In the retail segment, the Issuer's target group consists of individuals, families, self-employed persons and professionals having their usual place of residence in Belgium or the Netherlands and wishing to take out loans for mainly non-professional purposes.

The most important elements of risk management are the Acceptance and Authorisation Framework for granting of loans, including set limits for creditworthiness, monitoring procedures and a monthly follow-up of the credit risk indicators.

This governance is supported by the operation of the Retail Credit Risk Committee, reporting to the executive committee and to the Risk Committee of the board of directors.

The non-retail investment framework focuses on strong counterparty quality, with a focus on diversification into investments in companies, in indirect real estate and in positions in securities issued by or loans to local authorities and public sector entities.

The application and practical implementation of the investment policy is also supported by the Investment Committee, in which representatives of the Executive Committee (in the case of escalation), Treasury and Investment Management and the Credit Risk Analysis department in the first line, and Risk in the second line, discuss and decide on investment issues.

The internal investment framework establishes which bonds and which ratings may be considered for investment. The ratings of all fixed-income securities are then systematically monitored. If, after purchase, the rating of a bond drops below the set minimum rating requirement, the bonds concerned will be discussed again by the Alco and the RO. The Alco, and consequently the Issuer's Executive Committee, must then make an

explicit judgment on whether or not to maintain the position. The positions maintained are also reported to the Risk Committee of the board of directors.

The Issuer has opted, for its mortgage lending, subject to non-material exceptions, and for banking and corporate counterparties, to use internal ratings and to calculate its own capital requirements using the Internal Ratings Based (Foundation) method ("**IRB(F) method**"). This means that a risk category is assigned to each loan when granted. To this end, the bank has, where applicable, itself developed models. A distinction is made between models for the probability of default ("**PD**") and the loss given default ("**LGD**"). For the retail credit portfolios, for which an internal rating based system has been selected, both a PD model and an LGD model have been developed. Every month, the PD and LGD models are applied to the total mortgage loan portfolio in order to calculate the capital requirement for unforeseen losses. For banking and corporate counterparties, this is a Foundation Internal Ratings Based ("**FIRB**") approach, where only a PD model has been developed.

Operational risk management

All businesses carrying out activities of any kind have to contend with an operational risk. Financial institutions and groups, such as the Argenta Group, are no exception.

Argenta Group's activities depend on the ability to process a very large number of transactions efficiently, accurately and in accordance with internal policies and external legislation and regulations. Operational risks and losses result from inadequate or failed internal processes (such as processes not aligned with the legal requirements), human actions (including fraud and employee errors) and systems (such as system failure) or due to external events (such as natural disasters or malfunctions of external systems, including those of the Argenta Group's suppliers or counterparties). The impact may consist of financial or reputational loss.

The fairly limited number of products and services of the Issuer and Aras allows the operational risks to be kept limited. Although Argenta Group has taken measures to control the risks and limit any losses, as well as earmarking substantial funds for the development of efficient procedures and staff training, it is impossible to implement procedures that allow Argenta Group to exclude all these operational risks in a completely effective manner. Within the overall RAF these risks too are managed in a structured way.

The risk appetite for operational risks with risk limits is an integral part of the Operational Risk Management ("**ORM**") policy (including the calculation of capital requirement for operational risks, with complementary scenario analyses performed here).

The quarterly reporting on operational risks includes at least the following elements:

Operational incidents occurring and producing financial and/or reputational loss are recorded in an incident & loss database (Pentana), classified by department, sub-domain, activity, Basel risk category and cause. The measuring process, collection of loss data and reporting of operational losses is done in a uniform manner for the various Argenta Group entities.

Operational risks are moreover actively tracked using a set of Key Risk Indicators, which are evaluated quarterly at the Operational Risk Committee ("**Orco**"). These also form the basis for one of the qualitative RAF limits.

At least once a year each department within the Argenta Group formally evaluates its internal control maturity ("**COSO evaluation**"). The maturity score is obtained by completing the COSO questionnaire (supported by requested supporting documents). COSO is the Committee of Sponsoring Organizations of the Treadway Commission. The questionnaire is based on the international COSO framework and asks questions about the various COSO components, including control environment, risk management and control measures. This COSO maturity score also forms the basis for one of the qualitative RAF limits.

In addition, every year a scenario analysis is done, where Executive Committee members define general business-wide scenarios that can have a major impact on the entities of the Argenta Group. These scenarios are used for the calculation of capital under ICAAP and ORSA.

As of early 2019 Argenta Group will implement a new non-financial risk management policy. This new policy (replacing the current ORM policy) will enable further the management of non-financial risk types based as well on the principals of the 3 lines of defence.

Management of other risks

The risks of Argenta Group for which no capital requirement is calculated, are classified in the "other" risks category. These include, for example, the following risks: strategic risk, reputational risk and regulatory risk. The risk cartography is submitted annually to the Risk Committee of the board of directors. The risks are assessed during workshops with the executive committee and the management teams. The risks arising from these assessments are always included in other defined risks, or are sufficiently mitigated by means of processes, as a result of which no additional risk capital needs to be created in respect of them. For the Issuer, capital is set aside for business risk under ICAAP.

Strategic risk

Strategic risk is the risk of loss or of adverse change in the financial situation as a direct or indirect result of business decisions, implementation of decisions, or lack of responsiveness to changing market conditions (both commercial and financial).

Argenta Group makes resources available for achieving the strategic objectives as defined in the business strategy. These resources include communication channels, systems, human resources, networks, and management time and skills. The strategic goals are defined by the executive committee, approved by the board of directors, and monitored on a regular basis.

The ultimate fulfilment of the business strategy depends on the adequacy of the resources made available and on the way these resources are used.

Reputational risk

Argenta Group is constantly exposed to the risk of loss or of adverse change in its financial situation resulting, directly or indirectly, from changes in its reputation or standing caused by an altered perception of its image by its various stakeholders (including customers, counterparties, shareholders and regulators).

Regulatory risk

The regulatory risk is the risk of loss or adverse change in the financial situation, as a direct or indirect result of future legislative or regulatory changes. Wherever it operates, the Argenta Group and its entities are subject to the laws, regulations, administrative measures and policy regulations governing the provision of financial services.

Changes in the supervisory framework and regulations may affect the activities, products and services that the entities of the Argenta Group offer or the value of its assets. Although the entities of the Argenta Group work in close dialogue with the regulators and continuously monitor the situation and future changes to the regulations, policy here can be unpredictable.

MANAGEMENT AND SUPERVISORY BODIES

Introduction

The Belgian Banking Law puts a lot of emphasis on a solid and efficient organisation of credit institutions, and introduces 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 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 Belgian Banking Law, the Issuer has an executive committee of which each member is also a member of the board of directors.

Pursuant to the Belgian 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 fit and proper standards have been further elaborated by the NBB in a Circular of 18 September 2018 (Circular NBB_2018_25 / Suitability of directors, members of the management committee, responsible persons of independent control functions and senior managers of financial institutions). On 2 October 2018, the NBB has published a new "Fit & Proper" circular and "Handbook" applicable to financial institutions under its supervision, replacing the existing circular letter 2013_02 as from that day.

Although it is incumbent first and foremost upon the financial institutions themselves to select and retain the right people, the suitability assessment is part of the prudential supervision carried out by the NBB and, where applicable, the ECB.

Board of directors

The boards of directors of the companies of the Argenta Group have similar structures. They include in each case:

- the members of the executive committee of the company concerned (the executive directors);
- a number of independent directors; and
- a number of directors representing the family shareholder (together with the independent directors, the non-executive directors).

The number of directors for each board of directors should, preferably, not exceed fifteen.

Members of the board of directors must be natural persons.

In principle, directors' mandates are for six years and are renewable. The following age limits apply to directors:

- executive directors are legally required to resign on reaching the age of 65;
- non-executive directors resign automatically on reaching the age of 70 years;
- directors reaching the age limits may continue to exercise their mandates until a successor is appointed.

The board of directors are composed in such a way that none of the three groups (the directors representing the family shareholder, the independent directors and directors who are members of the Executive Committee) are

in the majority, whereas the non-executive directors (being the directors representing the family shareholder together with the independent directors) are in the majority.

The independent directors are appointed in view of attracting competences in the core activities of the Argenta Group, being banking and insurance. Independent directors must demonstrate extensive experience in at least one of these core areas, in the course of former or current employment. They must meet all the requirements as stipulated in article 526*ter* of the Belgian Companies Code.

The boards of directors of the Parent, the Issuer and Aras have a number of independent directors. At least one independent director of the Issuer is not a director in Aras, and likewise.

On the date of this Base Prospectus, the board of directors of the Issuer consists of 14 directors, as listed below:

Name	Function	Expiry date of current term of office	External mandates (outside the Issuer)
Jan Cerfontaine	Chairman	General shareholders meeting of 2019	Chairman of the Parent;
			Chairman of Argenta Assuranties NV;
			Chairman of Pensioenfonds Metaal OFP.
Emiel Walkiers	Non-executive director	General shareholders meeting of 2019	Director of the Parent;
			Director of Argenta Assuranties NV;
			Director of Investar NV;
			director of Tramonto comm. va;
			director of Moore Stephens Audit BVCVBA;
Bart Van Rompuy	Non-executive director	General shareholders meeting of 2022	Director of Argenta Assuranties NV;
			Director of Investar NV;
			Director of the Parent.
Marc van Heel	Non-executive director	General shareholders meeting of 2023	Director of the Parent;
			Director of Argenta Assuranties NV;
			Director of Investar NV.
Baudouin Thomas	Independent director	General shareholders meeting of 2024	Director of the Parent;
			Director of Argenta Assuranties NV;
			Manager of BTH Consulting BVBA;

Name	Function	Expiry date of current term of office	External mandates (outside the Issuer)
			Director Reimagine CVBA;
			Director Start it@KBC VZW.
Raf Vanderstichele	Independent director	General shareholders meeting of 2024	Director of the Parent;
			Manager of Korora BVBA;
			Director of Nemrod NV.
Carlo Henriksen	Independent director	General shareholders meeting of 2020	Director of the Parent;
			Director of Donorinfo, public utility foundation.
Cynthia Van Hulle	Independent director	General shareholders meeting of 2021	Director of the Parent;
			Director of Argenta Assuranties NV;
			Director of Argenta Coöperatieve CVBA;
			Director of WDP Comm.VA;
			Director of Miko NV.
Marc Lauwers	Executive director	General shareholders meeting of 2022	Director of the Parent;
			Director of Argenta Assuranties NV;
			Chairman of Argenta Asset Management SA.
Geert Van Hove	Executive director	General shareholders meeting of 2023	Director of Argenta Assuranties NV.
Geert Ameloot	Executive director	General shareholders meeting of 2022	Director of the Parent;
			Director of Argenta Assuranties NV.
Gert Wauters	Executive director	General shareholders meeting of 2022	Director of the Parent;
			Director of Argenta Assuranties NV
			Director of Argenta Asset Management SA

Name	Function	Expiry date of current term of office	External mandates (outside the Issuer)
Inge Ampe	Executive director	General shareholders meeting of 2024	Director of Argenta Assuranties NV.
Ann Brands	Executive director	General shareholders meeting of 2022	Director of Argenta Assuranties NV.

It is expected that Mr Marc van Heel will be designated as president of the board of directors of the Issuer as from the Issuer's general shareholders meeting of 2019, subject to approval by the ECB.

The business address for the members of the board of directors is Belgiëlei 49-53, 2018 Antwerp, Belgium.

Executive committee

The executive committee of the Parent stipulates the limits within which the various companies of the Argenta Group can operate and exercise their responsibilities.

The executive committee of the Parent consists of a Chairman of the Executive Committee (CEO), a Chief Financial Officer (CFO) and a Chief Risk Officer (CRO). The executive committee of the Issuer consists of a Chairman of the Executive committee (CEO), a Chief Financial Officer (CFO), a Chief Risk Officer, a Chief Operations Officer (COO), a Chief Commercial Officer (CCO) and a Chief Information & Digital Officer (CIDO). These six members are also part of, and exercise the same functions in, the executive committee of Aras. Policy decisions related to corporate social responsibility (including economic, environmental and social impact) are monitored directly by the CEO.

The executive committees of the Parent, the Issuer and Aras are composed of executive directors with considerable banking and/or insurance experience, or a considerable training and/or experience in relation to bank management, as well as management skills.

The Issuer's executive committee consists of the following members:

Marc Lauwers, CEO;
Geert Ameloot, CFO;
Gert Wauters, CRO;
Inge Ampe, CCO;
Ann Brands, COO; and
Geert Van Hove, CIDO.

Audit and risk committees

Argenta Group has separate audit and risk committees within the respective boards of directors of the Issuer and Aras. At the Issuer, both committees are chaired by an independent non-executive director not belonging to the board of directors of Aras.

The group level control functions of the Parent are overseen by the Issuer's Audit Committee and Risk Committee set up within its board of directors.

On the date of this Base Prospectus, the Issuer's audit committee consists of the following members:

Raf Vanderstichele (chairman);
Bart Van Rompuy; and
Baudouin Thomas

On the date of this Base Prospectus, the Issuer's risk committee consists of the following members:

Carlo Henriksen (chairman);
Jan Cerfontaine;
Raf Vanderstichele;
Marc van Heel;and
Baudouin Thomas

Remuneration Committee and Nomination Committee

One Remuneration committee and one Nomination committee are active within the Argenta Group. These are set up within the board of directors of Argenta Group. Based on a waiver granted by the supervisory authority, they operate at group level. No separate nomination committees have been set up within the boards of directors of either the Issuer or Aras.

The Remuneration Committee is composed of a chairman and two members and advises on the remuneration policy of the members of the board of directors, of those employees whose professional activities can have a material impact on the Argenta Group (the "**identified staff**") and on that of all other employees of the Argenta Group. It monitors the evolution of compensation within the Argenta Group, ensures that the remuneration policy promotes a solid risk culture and makes general recommendations to the board of directors. For this, it also examines annually whether the remuneration of the employees and staff within the Argenta Group is in line with the remuneration policy.

The Nominations Committee is composed of a chairman and two members and is tasked with assisting the boards of directors of the different companies of the Argenta Group, advising them on assuming their responsibilities and on taking the necessary decisions with regard to the composition, structure and functioning of the board and of the executive committee. For this, the Nominations Committee examines the performance of the Boards of directors and of the executive committees of the companies of the Argenta Group, as well as the performance of the individual members, and prepares the succession planning in the two bodies.

Bank governance

Following the international developments in corporate governance (new guidelines issued by the Basel Committee and the European Banking Authority (EBA) and new European legislation), the Belgian Banking Law was passed in Belgium in 2014, which updated and covered in more detail the various rules regarding corporate governance.

Without going into detail, the following important items can be highlighted:

- the requirements of professional integrity and appropriate expertise for members of the management body, persons tasked with the senior management and persons responsible for independent control functions;
- reinforcement of the role and responsibility of the management body (as regards composition, expertise, time commitment, etc.) in terms of corporate governance in general, and risk management in particular;
- reinforcement of the role of the advisory committees set up within the management body;

- special attention to risk management and the respective roles and responsibilities of the business and the independent control functions (so-called three lines of defence model);
- detailed elaboration of the rules regarding remuneration policy;
- more transparency regarding the implementation of the principles of corporate governance.

To ensure compliance with the governance rules, the Belgian Banking Law provides the supervisory authority with a broad range of measures, from the prudential measures in the context of Pillar 2 supervision (Article 149) to recovery measures (Articles 234-238), penalties (Articles 345-346) and administrative fines (Article 347). Additionally, certain infringements are criminally sanctioned (Articles 348-352).

The circular of the NBB of 7 December 2015 *introducing a governance manual for the banking sector* (recently updated by the Circular NBB_2018_28 / EBA guidelines of 26 September 2017 on internal governance (EBA/GL/2017/11)), introduced a governance manual for the banking sector (the "**Governance Manual**").

The Governance Manual contains recommendations to assure the suitability of shareholders, management and independent control functions and the appropriate organisation of the business. It aims to combine all governance policy documents applicable to credit institutions (Belgian Banking Law, explanatory memorandum, regulations, circulars, European legislation, international standards) and, if appropriate, to provide further clarifications regarding these documents. In addition, the Governance Manual also contains explanations on topics that are, as such, not covered by specific policy documents. Evidently, policy documents that are not covered by this manual will continue to apply.

As required by the Belgian Banking Law and the Governance Manual, the Parent has drafted a Governance Memorandum (the "**Governance Memorandum**"), which sets out the corporate governance policy applying to all Argenta Group entities. The corporate governance policy of a credit institution must meet the principles set out in the law and the Governance Manual. The Governance Memorandum was approved by the board of directors of the Parent and has been sent to the NBB. The Governance Memorandum is subject to annual review and approval of the Parent and can be consulted on the website of the Issuer.

Conflicts of interest

The Issuer confirms that there are no potential conflicts of interests between any duties to the Issuer of the members of the board of directors and/or the executive committee, and their private interests.

The Issuer further confirms that there are no potential conflicts of interests that are material to the issuance of the Notes, between any of the members of the board of directors and/or the executive committee, and their duties pursuant to the issuance of the Notes.

The Argenta Group has a conflict of interest policy in place, which can be consulted on the website of the Issuer, www.argenta.be.

LEGAL AND ARBITRATION PROCEEDINGS

In February 2018, the Issuer initiated a legal procedure before the Belgian Constitutional Court with a motion to annul article 23 to 25 of the Belgian law of 31 July 2017 on certain financial and fiscal provisions and establishing certain measures on concession agreements (*wet houdende diverse financiële en fiscal bepalingen en houdende maatregelen inzake concessieovereenkomsten/ Loi portant des dispositions financières et fiscales diverses et portant des mesures en matière de contrats de concession*) which retroactively increases the deposit guarantee contribution for the Belgian Deposit Guarantee Scheme from 0,08% to 0,105% calculated on the covered deposit basis as of 31 December 2016. As an actual annulment would be beneficial to the Issuer, it will not have a negative material effect on the Noteholders.

TREND INFORMATION

Material adverse changes

The Issuer confirms that there have been no changes that are reasonably likely to have a material effect on its prospects since the date of its latest published audited financial statements.

Known trends, uncertainties, demands, commitments or events

With the persistently low interest rates, fixed-rate term products are losing popularity. As a result, financial institutions (including the Issuer) faced a decrease in their term products portfolio in favour of savings deposits.

There are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year.

MATERIAL CONTRACTS

There are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of Argenta Group (including the Issuer) being under an obligation or entitlement that is material to its ability to meet its obligation to Noteholders in respect of the Notes being issued.

COMMON REPORTING STANDARD – EXCHANGE OF INFORMATION

Following recent international developments, the exchange of information is governed by the Common Reporting Standard ("**CRS**"). On 29 October 2018, the total of jurisdictions that have signed the multilateral competent authority agreement ("**MCAA**") amounts to 104. The MCAA is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

The MCAA entered into force in 2017 in 49 jurisdictions, including Belgium (the so-called early adopters). Income relating to income year 2016 were hence the first to be automatically exchanged by said early adopters. As of 2018, the MCAA will be applied by 53 additional jurisdictions.

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 include trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU and replaces the EC Council Directive 2003/48EC on the taxation of savings income (commonly referred to as the "**Savings Directive**") as from 1 January 2016. Austria has been nonetheless allowed to exchange information under DAC2 as from 1 January 2017.

On 27 May 2015, Switzerland signed an agreement with the European Union in order to implement, as from 1 January 2017, an automatic exchange of information based on the CRS. This new agreement will replace the agreement on the taxation of savings that entered into force in 2005. As of 1 January 2017, financial institutions in the EU and Switzerland apply the due diligence procedures envisaged under the new agreement to identify customers who are reportable persons, i.e., for Switzerland residents of any EU Member State. This data was exchanged for the first time in autumn 2018.

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU States that have signed the MCAA, as of income year 2016 (first information exchange in 2017) for a first list of 18 countries and as of income year 2017 (first information exchange in 2018) for a second list of 44 countries.

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

THE PROPOSED EU FINANCIAL TRANSACTION TAX

Reference is made to the section entitled "Risk Factors" (in particular, see "*Financial Transaction Tax*") which includes information on the proposed EU Financial Transaction Tax (the "**FTT**") which, if adopted, could affect the taxation treatment of the Notes.

BELGIAN TAXATION ON THE NOTES

The following is an overview of the main Belgian tax consequences of acquiring, holding, redeeming and/or disposing of the Notes. It is restricted to the matters of Belgian taxation stated herein and is intended neither as tax advice nor as a comprehensive description of all Belgian tax consequences associated with or resulting from any of the aforementioned transactions. Prospective investors are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Notes, including under the laws of their countries of citizenship, residence, ordinary residence or domicile.

The overview provided below is based on the information provided in this Base Prospectus and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Base Prospectus and with the exception of subsequent amendments with retroactive effect.

1. Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Notes are in principle subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30%. Both Belgian domestic tax law and applicable tax treaties may provide for lower or zero rates subject to certain conditions and formalities.

In this regard, "interest" means (i) the periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date) and, (iii) in case of a realisation of Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "**Eligible Investors**", see hereinafter) in an exempt securities account (an "**X Account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the Securities Settlement System operated by the NBB, Euroclear Bank, Clearstream, SIX SIS and Monte Titoli are directly or indirectly Participants for this purpose.

Holding the Notes through the Securities Settlement System enables Eligible Investors to receive gross interest income on their Notes and to transfer Notes on a gross basis.

Participants to the Securities Settlement system must enter the Notes which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those listed 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 include, *inter alia*:

- Belgian companies subject to Belgian corporate income tax as referred to in article 2, §1, 5°, b) of the Belgian code on income tax of 1992 (*wetboek van de inkomenstenbelastingen 1992/code des impôts sur les revenus 1992*, the "**BITC 1992**");

- institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of article 262, 1° and 5° of the BITC1992;

- state regulated institutions (*parastatalen/institutions parastatales*) for social security, or institutions which are assimilated therewith, provided for in article 105, 2º of the royal decree implementing the BITC 1992 (*koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992/arrêté royal d'exécution du code des impôts sur les revenus 1992*, the "**RD/BITC 1992**");

- non-resident investors provided for in article 105, 5º of the RD/BITC 1992;

- investment funds, recognised in the framework of pension savings, provided for in article 115 of the RD/BITC 1992;

- taxpayers provided for in article 227, 2º of the BITC 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the BITC 1992;

- the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC 1992;

- collective investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and

- Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Upon the opening of an X Account for the holding of Notes, a Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status.

Participants are required to annually provide the NBB with listings of investors who have held an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Notes that the Intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided that each Beneficial Owner is a Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that: (i) the Intermediary is itself a Eligible Investor; and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors. The Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Notes held in central securities depositaries as defined in article 2, first paragraph, (1) of the Regulation (EU) N° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ("**CSD**") as Participants to the Securities Settlement System (each, a "**NBB-CSD**"), provided that the relevant NBB-CSD only holds X Accounts and that they are able to identify the Noteholders for whom they hold Notes in such account. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-

CSD as Participants include the commitment that all their clients, holder of an account, are Eligible Investors.

2. Belgian income tax

2.1 Belgian resident individuals

The Notes may only be held by Eligible Investors. Consequently, the Notes may not be held by Belgian resident individuals as they do not qualify as Eligible Investors.

2.2 Belgian resident companies

Interest attributed or paid to corporations which are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*), as well as capital gains realised upon the disposal of Notes are taxable at the ordinary corporate income tax rate of in principle 29.58% (with a reduced rate of 20.40% applying to the first tranche of EUR 100,000 of taxable income of qualifying small companies as defined by article 15, §1 to §6 of the Belgian Companies Code), to be reduced to 25% (and 20% for qualifying small companies as defined by article 15, §1 to §6 of the Belgian Companies Code) as from 1 January 2020 onwards.

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

Other tax rules apply to investment companies within the meaning of article 185*bis* of the BITC 1992.

2.3 Belgian legal entities

The Notes may only be held by Eligible Investors. Consequently, the Notes may not be held by Belgian legal entities subject to Belgian legal entities tax (*rechtspersonenbelasting/impôts des personnes morales*) which do not qualify as Eligible Investors.

Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income are required to declare and pay the 30% withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest (as defined in section 1 entitled "Belgian Withholding Tax"). Capital losses are in principle not tax deductible.

2.4 Organisations for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

2.5 Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Notes through a permanent establishment in Belgium and who do not invest in the Notes in the context of their Belgian professional activity will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Notes, provided that they qualify as Eligible Investors and that they hold their Notes in an X Account.

3. Tax on stock exchange transactions

A tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*) will be levied on the acquisition and disposal of Notes on the secondary market if (i) 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 ("*residence habituelle*"/"*gewone verblijfplaats*") in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a "**Belgian Investor**").

The tax is due at a rate of 0.12 per cent on each acquisition and disposal separately, with a maximum amount of EUR 1,300 per transaction and per party.

A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax on the stock exchange transactions will in principle be due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions has already been paid by the professional intermediary established outside of Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day on which the relevant transaction was realized. The qualifying order statements must be numbered in series and duplicates must be retained by the financial intermediary. A duplicate can be replaced by a qualifying agent day-today listing, numbered in series. Professional intermediaries established outside Belgium could however appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities ("**Stock Exchange Tax Representative**"). In such case the Stock Exchange Tax Representative would then be liable towards the Belgian Treasury to pay the tax on stock exchange transactions and to comply with the reporting obligations in that respect. If such a Stock Exchange Tax Representative has paid the tax on stock exchange transactions, the Belgian Investor will, as per the above, no longer be required to pay the tax on stock exchange transactions.

A tax on repurchase transactions (*taks op de reporten/taxe sur les reports*) at the rate of 0.085 per cent will be due from each party to any such transaction in which a stockbroker acts for either party (subject to a maximum of EUR 1,300 per party and per transaction).The tax referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in Article 126.1, 2° of the code of miscellaneous duties and taxes (*Wetboek diverse rechten en taksen/Code des droits et taxes divers*) for the tax on stock exchange transactions.

As stated above the European Commission has published a proposal for a Directive for a common financial transactions tax (the "**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in 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 and the tax on repurchase transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

4. Annual tax on securities accounts

Belgian resident and non-resident individuals are subject to a tax on securities account (*taks op de effectenrekeningen*/*taxe sur les comptes-titres*) at a rate of 0.15% on their share in the average value of qualifying financial instruments (i.e. shares, share certificates, bonds, bond certificates, units or shares in investment funds or companies (except if acquired or subscribed to in the context of a life insurance

or pension savings arrangement), medium-term notes (*kasbons*/*bons de caisse*) and warrants) held on one or more securities accounts with one or more financial intermediaries during a reference period of 12 consecutive months starting on 1 October and ending on 30 September of the subsequent year ("**Tax on Securities Accounts**"). However, the first reference period started as of 10 March 2018 and ended on 30 September 2018. The Tax on Securities Accounts is not due if the holder's share in the average value of the qualifying financial instruments on those accounts amounts to less than EUR 500,000. If, however, the holder's share in the average value of the qualifying financial instruments on those accounts amounts to EUR 500,000 or more, the Tax on Securities Accounts is due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and hence, not only on the part which exceeds the EUR 500,000 threshold).

Qualifying financial instruments held by non-resident individuals on securities accounts with a financial intermediary established or located in Belgium fall within the scope of the Tax on Securities Accounts. Note that, pursuant to certain double tax treaties entered into by Belgium, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty override may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or a listed company as defined by Article 1, §2 and §3 of the Belgian Banking Law and (ii) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are pursuant to national law admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder's share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to EUR 500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value of each of these accounts does not amount to EUR 500,000 or more but of which the holder's share in the total average value of these accounts exceeds EUR 500,000). If the Tax on Securities Accounts is not paid by the financial intermediary, such Tax on Securities Accounts has to be declared and is due by the holder itself, unless the holder provides evidence that the Tax has already been withheld, declared and paid by an intermediary which is not established or located in Belgium.

Belgian resident individuals have to report in their annual income tax return all their securities accounts held with one or more financial intermediaries of which they are considered the holder within the meaning of the Tax on Securities Accounts. Non-resident individuals have to report in their annual Belgian non-resident income tax return all their securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered the holder within the meaning of the Tax on Securities Accounts.

Prospective investors are strongly advised to seek their own professional advice in relation to the Tax on Securities Accounts.

LUXEMBOURG TAXATION ON THE NOTES

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of currently 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of currently 20%.

SUBSCRIPTION AND SALE

Pursuant to a Dealer Agreement dated on or about 18 January 2019 (the "**Dealer Agreement**") between the Issuer, the Dealers and the Arranger and subject to the conditions contained therein, the Dealers have agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission in respect of Notes subscribed by them. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the set-up of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities relating to any misrepresentation or breach of any of the representations, warranties or agreements of the Issuer in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. If any of the Dealers or their affiliates has a lending relationship with the Issuer, certain of the Dealers or their affiliates routinely hedge, and certain other of those Dealers or their affiliates may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Notes may only be held by, and may only be transferred to, Eligible Investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax holding their Notes in an exempt account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the NBB.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each 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 Notes (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 Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each 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 Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes 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.

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 Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

   a. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

   b. a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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 an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2° of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

United Kingdom

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 Notes 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 Notes 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 Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each 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 or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), 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 FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Any offering of the Notes will be exclusively conducted under applicable private placement exemptions and the restrictions described in this section (*Subscription and Sale*) will apply.

Neither the Base Prospectus nor any other offering material related to the Notes will have been or will be notified to, and neither the Base Prospectus nor any other offering material related to the Notes will have been or will be approved or reviewed by, the Belgian Financial Services and Markets Authority (the "*Autoriteit voor Financiële Diensten en Markten*"/"*Autorité des Services et Marchés Financiers*") (the "**Belgian FSMA**"). The Belgian FSMA has not commented as to the accuracy or adequacy of any such material or recommended the purchase of the Notes nor will the Belgian FSMA so comment or recommend. Any representation to the contrary is unlawful.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations 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 of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes 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.

FORM OF FINAL TERMS

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

[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes 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 Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (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 Notes (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 Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). 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")/MiFID II]; or (ii) a customer within the meaning of Directive 2002/92/EC, as amended or superseded, the "Insurance Mediation Directive", where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

ELIGIBLE INVESTORS ONLY - The Notes may only be held by, and may only be transferred to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 ("Eligible Investors") holding their Securities in an exempt account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the NBB.

Final Terms dated [●]

Argenta Spaarbank SA/NV

Issue of [Aggregate Nominal Amount of Tranche]

[Title of Notes]

under the EUR 3,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 18 January 2019 [and the Base Prospectus Supplement[s] dated [ ]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (as amended or superseded, including by Directive 2010/73/EU and to the extent implemented in any Member State of the European Economic Area which has implemented the Prospectus Directive) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented][4].

Full information on Argenta Spaarbank SA/NV (the "**Issuer**") and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 18 January 2019 [and the Base Prospectus Supplement[s] dated [ ]]. The Base Prospectus dated 18 January 2019 [and the Base Prospectus Supplement[s] dated [ ]] [is] / [are] available for viewing at *www.bourse.lu* and at *www.argenta.eu*. The Base Prospectus [and the Base Prospectus supplement[s]] [is] / [are] available for inspection during normal business hours at the office of the Paying Agent [and the office of the Issuer].

(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.)

1.	(I)	Series Number:	[ ]
	(II)	Tranche Number:	[ ]
	(III)	Date on which Notes will be consolidated and form a single Series:	[Not Applicable] / [The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert name of Series*] (ISIN: [ ]) on [[ ]] / [the Issue Date] / [with effect from the date that is 40 days following the Issue Date]]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		[ ]
	(I)	Series:	[ ]
	(II)	Tranche:	[ ]
4.	Issue Price:		[ ]% of the Aggregate Nominal Amount [plus accrued interest from [ ] (*insert if Notes are fungible with a previous issue*)]
5.	(I)	Specified Denomination(s):	[ ] [and integral multiples of [ ] in excess thereof up to and including [ ].] (*Note: No Notes may be issued which have a minimum denomination of less than EUR 100,000 (or equivalent amount in other currencies.*)
	(II)	Calculation Amount:	[ ]

[4] When drafting Final Terms in relation to an issue of Notes to be listed on a non-regulated market, Prospectus Directive references should be removed.

6.	(I)	Issue Date:	[ ]
	(II)	Interest Commencement Date:	[ ] / [Issue Date] / [Not Applicable]
7.	Maturity Date:		[Fixed maturity date: [ ]] / [Interest Payment Date falling in or nearest to [ ] (*specify in this format for Floating Rate Notes or CMS-Linked Interest Notes*)] *(Note: (i) Subordinated Notes that are included in or count towards the Tier 2 capital of the Issuer will have a minimum maturity of five years or such other minimum maturity as required by the Applicable Banking Regulation; and (ii) for Senior Non-Preferred Notes, the Maturity Date must be no less than one year from the Issue Date of such Senior Non-Preferred Notes.)*
8.	Interest Basis:		[[ ]% Fixed Rate] / [EURIBOR + [ ]%] / [LIBOR+ [ ]%] [Resettable Note] [Leveraged] [[ ] month [ ] [+/- [*specify Margin (if any)*]] Floating Rate] [Leveraged] [CMS-Linked Interest Note] [Zero Coupon] Further particulars specified in Paragraph[s] [13/14/15/16] of Part A of the Final Terms below (*include all which are relevant*)
9.	Redemption/Payment Basis:		[Par Redemption] / [Specified Redemption Amount]
10.	Change of Interest Basis:		[Applicable. The Notes are [Fixed to Floating Rate Notes] / [Floating to Fixed Rate Notes]] / [Not Applicable] Further particular specified in Paragraphs 13 and 15 of Part A of the Final Terms below
11.	Call Option:		
	Call Option: (Condition 3(c)):		[Applicable. Further details specified in Paragraph 18 of Part A of the Final Terms below] / [Not Applicable]
12.	(I)	Status of the Notes:	[Senior Preferred] / [Senior Non-Preferred] / [Subordinated] Notes
	(II)	Subordinated Notes:	[Applicable] / [Not Applicable] *(if not applicable, delete the sub-paragraphs under this paragraph (II)*
		• Redemption upon the	[Applicable. Further details specified in Paragraph 22 of Part

	occurrence of a Capital Disqualification Event (Condition 3(d)):	A of the Final Terms below] / [Not Applicable]
	• Substitution and Variation (Condition 6(d)):	[Applicable] / [Not Applicable]
(III)	Senior Non-Preferred Notes:	[Applicable] / [Not Applicable] *(if not applicable, delete the sub-paragraphs under this paragraph (III)*
	• Redemption of Senior Non-Preferred Notes upon the occurrence of a MREL Disqualification Event (Condition 3(f)):	[Applicable. Further details specified in Paragraph 22 of Part A of the Final Terms below] / [Not Applicable]
	• Substitution and Variation (Condition 6(d)):	[Applicable] / [Not Applicable]
(IV)	Senior Preferred Notes:	[Applicable] / [Not Applicable] *(if not applicable, delete the sub-paragraphs under this paragraph (IV))*
	• Senior Preferred Notes Restricted Terms:	[Applicable] / [Not Applicable]
	• Redemption of Senior Preferred Notes upon the occurrence of a MREL Disqualification Event (Condition 3(f)) :	[Applicable. Further details specified in Paragraph 22 of Part A of the Final Terms below] / [Not Applicable]
	• Substitution and Variation (Condition 6(d)):	[Applicable] / [Not Applicable]
(V)	Date of any additional [Board] approval for issuance of Notes obtained:	[[ ]] / [Not Applicable] *(specify if Notes require separate / new authorisation. Otherwise specify "Not Applicable")*

Provisions Relating to Interest (if any) Payable

13.	**Fixed Rate Note Provisions**		[Applicable] / [Applicable for the Interest Accrual Periods specified below] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(I)	Interest Accrual Periods to which Fixed Rate Note Provisions are applicable:	[All] / [The Notes are Fixed to Floating Rate Notes, and Fixed Rate Note Provisions shall apply for the following Interest Accrual Periods: from and including [ ] to but excluding [ ] (*repeat as necessary*)] / [The Notes are Floating to Fixed Rate Notes, and Fixed Rate Note Provisions shall apply for the following Interest Accrual Periods: from and including [ ] to but excluding [ ] (*repeat as necessary*)].
	(II)	Rate(s) of Interest:	[ ]% per annum [payable [annually] / [semi-annually] / [quarterly] / [monthly] in arrear] on each Interest Payment Date
	(III)	Interest Payment Date(s):	[ ] in each year[, from and including [ ]][up to and including [ ]] [Subject to adjustment in accordance with the Business Day Convention.] (*Note: amend appropriately in the case of irregular coupons*)
	(IV)	Interest Period Date(s):	[[ ]] / [Interest Payment Date(s)] [Subject to adjustment in accordance with the Business Day Convention.] / [Not subject to adjustment in accordance with any Business Day Convention.]
	(V)	Business Day Convention:	[Following Business Day Convention] / [Not Applicable]
	(VI)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA] / [Actual/365 (Fixed)] / [Actual/360] / [30/360][360/360][Bond Basis] / [30E/360][Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA]
	(VII)	Determination Date(s):	[[ ] in each year] / [Not Applicable] (*Note: only relevant where Day Count Fraction is Actual/Actual-ICMA. In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*)
14.	**Resettable Note Provisions**		[Applicable] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(I)	Initial Rate of Interest:	[ ]% per annum [payable [annually] / [semi-annually] / [quarterly] / [monthly] in arrear] on each Resettable Note Interest Payment Date
(II)	Party responsible for calculating the First Reset Rate of Interest, the Subsequent Reset Rate of Interest and Interest Amount(s):	[Calculation Agent] / [ ]
(III)	Resettable Note Interest Payment Date(s):	[ ] in each year[, from and including [ ]][up to and including [ ]] [Subject to adjustment in accordance with the Business Day Convention.] (*Note: amend appropriately in the case of irregular coupons*)
(IV)	Interest Period Date(s):	[[ ]] / [Resettable Note Interest Payment Date(s)] [Subject to adjustment in accordance with the Business Day Convention.] / [Not subject to adjustment in accordance with any Business Day Convention.]
(V)	Business Day Convention:	[Following Business Day Convention] / [Not Applicable]
(VI)	First Margin:	[+/-] [ ]% per annum
(VII)	Subsequent Margin:	[+/-] [ ]% per annum
(VIII)	Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA] / [Actual/365 (Fixed)] / [Actual/360] / [30/360][360/360][Bond Basis] / [30E/360][Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA]
(IX)	Determination Date(s):	[[ ] in each year] / [Not Applicable] (*Note: only relevant where Day Count Fraction is Actual/Actual-ICMA. In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*)
(X)	First Resettable Note Reset Date:	[ ]
(XI)	Second Resettable Note Reset Date:	[[ ]] / [Not Applicable]
(XII)	Subsequent Resettable Note Reset Date(s):	[[ ]] / [Not Applicable]
(XIII)	Relevant Screen Page:	[ ]

(XIV)	Relevant Time:	[ ]
(XV)	Mid-Swap Rate:	[Single Mid-Swap Rate] / [Mean Mid-Swap Rate]
(XVI)	Mid-Swap Maturity:	[ ]
(XVII)	Initial Mid-Swap Rate Final Fallback:	[Applicable] / [Not Applicable]
	• Initial Mid-Swap Rate:	[ ] per cent.
(XVIII)	Reset Period Maturity Initial Mid-Swap Rate Final Fallback:	[Applicable] / [Not Applicable]
	• Reset Period Maturity Initial Mid-Swap Rate:	[ ] per cent.
(XIX)	Last Observable Mid-Swap Rate Final Fallback:	[Applicable] / [Not Applicable]
(XX)	Subsequent Reset Rate Mid-Swap Rate Final Fallback:	[Applicable] / [Not Applicable]
(XXI)	Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback:	[Applicable] / [Not Applicable]
(XXII)	Fixed Leg Swap Payment Frequency:	
(XXIII)	Fixed Leg Swap Payment Frequency Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA] / [Actual/365 (Fixed)] / [Actual/360] / [30/360][360/360][Bond Basis] / [30E/360][Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA]
(XXIV)	Mid-Swap Floating Leg Benchmark Rate:	[ ]
(XXV)	Mid-Swap Floating Leg Benchmark Rate Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA] / [Actual/365 (Fixed)] / [Actual/360] / [30/360][360/360][Bond Basis] / [30E/360][Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA]

15. **Floating Rate Note / CMS-Linked Interest Note Provisions** — [Applicable. The Notes are [Floating Rate Notes] / [CMS-Linked Interest Notes]] / [Applicable for the Interest Accrual Periods specified below] / [Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(I)	Interest Accrual Periods to which Floating Rate Note Provisions are applicable:	[All] / [The Notes are Floating to Fixed Rate Notes, and Floating Rate Note Provisions shall apply for the following Interest Accrual Periods: from and including [ ] to but excluding [ ] (*repeat as necessary*)] / [The Notes are Fixed to Floating Rate Notes, and Floating Rate Note Provisions shall apply for the following Interest Accrual Periods: from and including [ ] to but excluding [ ] (*repeat as necessary*)] / [Not Applicable, the Notes are CMS-Linked Interest Notes]
(II)	Specified Interest Payment Date(s):	[ ] in each year[, from and including [ ]][up to and including [ ]][, subject to adjustment in accordance with the Business Day Convention] / [, not subject to any adjustment as the Business Day Convention in (IV) below is specified as being "Not Applicable"]
(III)	Interest Period Dates:	[[ ]] / [Specified Interest Payment Date(s)]
(IV)	Business Day Convention:	[Following Business Day Convention] / [Modified Following Business Day Convention] / [Not Applicable]
(V)	Reference Banks:	[ ]
(VI)	Manner in which the Rate(s) of Interest is/are is /are to be determined:	[Screen Rate Determination] / [ISDA Determination] / [CMS-Linked Interest Notes provisions in paragraph (XI) apply]
(VII)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[Calculation Agent] / [ ]
(VIII)	Screen Rate Determination:	[Applicable] / [Not Applicable] *(if not applicable, delete the sub-paragraphs under this paragraph (VIII))*
	– Reference Rate:	[ ]
	– Interest Determination Date(s):	[[ ]] / [As specified in Condition 2(m)]
	– Relevant Screen Page:	[ ]
	– Relevant Time:	[ ]
	– Margin:	[Not Applicable] / [[+/-][ ]% per annum [in respect of [*specify relevant Interest Accrual Period*]] (*repeat as necessary*)
	– Leverage:	[Not Applicable] / [[ ] [in respect of [*specify relevant Interest Accrual Period*]] (*repeat as necessary*)

(IX)	ISDA Determination:	[Applicable] / [Not Applicable] *(if not applicable, delete the sub-paragraphs under this paragraph (IX))*
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– Reset Date:	[ ]
	– Margin:	[Not Applicable] / [[+/-][ ]% per annum [in respect of [*specify relevant Interest Accrual Period*]] (*repeat as necessary*)
	– Leverage:	[Not Applicable] / [[ ] [in respect of [*specify relevant Interest Accrual Period*]] (*repeat as necessary*)
(X)	Linear interpolation	[Not Applicable] / [Applicable – the Rate of Interest for the [[long] / [short]] [[first] / [last]] Interest Accrual Period shall be calculated using Linear Interpolation *(specify for each short or long interest accrual period)*]
(XI)	CMS-Linked Interest Notes:	[Applicable] / [Not Applicable] *(if not applicable, delete the sub-paragraphs under this paragraph (XI))*
	– Reference Rate (Condition 2(c)(iv)):	[CMS Reference Rate] / [Leveraged CMS Reference Rate] / [CMS Reference Rate Spread] / [Leveraged CMS Reference Rate Spread] applies.
	– CMS Rate:	[[ ]] / [CMS Rate 1 and CMS Rate 2] *(specify if CMS Reference Rate or Leveraged CMS Reference Rate are applicable, otherwise specify "CMS Rate 1 and CMS Rate 2")*
	– CMS Rate 1:	[[ ]] / [Not Applicable] *(specify if CMS Reference Rate Spread or Leveraged CMS Reference Rate Spread are applicable, otherwise specify as "Not Applicable")*
	– CMS Rate 2:	[[ ]] / [Not Applicable] *(specify if CMS Reference Rate Spread or Leveraged CMS Reference Rate Spread are applicable, otherwise specify as "Not Applicable")*
	– Designated Maturity:	[[ ]] / [For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]
	– Reference Currency:	[[ ]] / [For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]

	–	Interest Determination Date(s):	[[ ]] / [For [CMS Rate 1: [ ] and for CMS Rate 2[ ]] [Subject to adjustment in accordance with the Business Day Convention.] / [Not subject to adjustment in accordance with any Business Day Convention.]
	–	Business Day Convention:	[Following Business Day Convention] / [Modified Following Business Day Convention] / Not Applicable]
	–	Relevant Time:	[[ ]] / [For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]
	–	Relevant Screen Page:	[[ ]] / [For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]
	–	Margin:	[Not Applicable] / [[+/-][ ]% per annum [in respect of [*specify relevant Interest Accrual Period*]] (*repeat as necessary*)
	–	Leverage:	[Not Applicable] / [[ ] [in respect of [*specify relevant Interest Accrual Period*]] (*repeat as necessary*)
(XII)	Minimum Rate of Interest:		[[ ]%] / [Not Applicable]
(XIII)	Maximum Rate of Interest:		[[ ]%] / [Not Applicable]
(XIV)	Day Count Fraction:		[Actual/Actual][Actual/Actual-ISDA] / [Actual/365 (Fixed)] / [Actual/360] / [30/360][360/360][Bond Basis] / [30E/360][Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA]
(XV)	Determination Date(s):		[[ ] in each year] / [Not Applicable] (*Note: only relevant where Day Count Fraction is Actual/Actual-ICMA. In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*)
16.	**Zero Coupon Note Provisions**		[Applicable] / [Not Applicable] *(if not applicable, delete the sub-paragraphs under this paragraph)*
	Amortisation Yield:		[ ]% per annum on a [compounded] / [non-compounded] basis
	Day Count Fraction:		[Actual/Actual][Actual/Actual-ISDA] / [Actual/365 (Fixed)] / [Actual/360] / [30/360][360/360][Bond Basis] / [30E/360][Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA]
	Determination Date:		[ ]
17.	**Benchmark Replacement:**		[Applicable] / [Not Applicable]

Provisions Relating to Redemption

18.	**Call Option (Condition 3(c))**		[Applicable] / [Not Applicable] *(if not applicable, delete the sub-paragraphs under this paragraph)*
	(I)	Optional Redemption Date(s):	[ ]
	(II)	Redemption Amount (Call) of each Note:	[Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount]
	(III)	Specified Fixed Percentage Rate:	[[ ]% [in respect of [*specify Optional Redemption Date*] (*repeat as necessary*)] / [Not Applicable] *(Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100%)*
	(IV)	If redeemable in part:	[Applicable] / [Not Applicable]
		(a) Minimum Nominal Redemption Amount:	[[ ]] / [Not Applicable]
		(b) Maximum Nominal Redemption Amount:	[[ ]] / [Not Applicable]
	(V)	Notice period:	Minimum period: [ ] Maximum period: [ ]
19.	**Final Redemption Amount of each Note**		[Specified Redemption Amount] / [Par Redemption]
	(I)	Specified Fixed Percentage Rate:	[[ ]%] / [Not Applicable] *(Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100%)*
20.	**Zero Coupon Note Redemption Amount of each Zero Coupon Note**		[Amortised Face Amount] / [[ ]] / [Not Applicable]
21.	**Early Redemption**		
	(I)	Tax Event Redemption Amount (Condition 3(e)):	[Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount] / [Not Applicable]
		(a) Specified Fixed Percentage Rate:	[[ ]%] / [Not Applicable] *(Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least*

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

General Provisions Applicable to the Notes

23.	Interest Business Day Jurisdictions:	[[ ]] / [Not Applicable]

24. Payment Business Day Jurisdictions: [[ ]] / [Not Applicable]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and admission to trading:	[Application has been made for the Notes to be listed on the official list of the [Luxembourg Stock Exchange] and admitted to trading on the Regulated Market of the [Luxembourg Stock Exchange]] / [[ ]] / [Not Applicable] *(Where documenting a fungible issue need to indicate that the original notes are already admitted to trading.)*
(ii)	Earliest day of admission to trading:	[Application has been made for the Notes to be admitted to trading with effect from [ ]] / [On or around [ ]] / [Not Applicable]
(iii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings: [The Notes to be issued [[have been] / [are expected to be] rated] / [The following ratings reflect ratings assigned to Notes of this type under the Programme generally]:

[S & P: [ ]] /

[[ ]: [ ]]

[The Notes to be issued have not been specifically rated, but Notes of the type being issued under the Programme generally have been rated:

[S & P: [ ]] /

[[ ]: [ ]]

Insert one (or more) of the following options, as applicable[5]*:*

[*[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 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 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.] /

[5] A list of registered Credit Rating Agencies is published on the ESMA website (http://www.esma.europa.eu/).

[*[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 not established in the EU but the rating it has given to the Notes is endorsed by *[insert legal name of credit rating agency(ies)]*, [each of] which is established in the EU and registered under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**").] /

[*[Insert legal name of particular credit rating agency entity(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 EU and is not certified under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[[ ]] / [Save for the fees payable to the Dealers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. **Fixed Rate Notes only – YIELD** [Not Applicable]

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

Indication of yield: [ ]

5. ***Floating Rate Notes or CMS-Linked Interest Notes only – Historic Interest Rates*** [Not Applicable]

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

Details of historic [LIBOR] / [EURIBOR] / [CMS Rate(s)] / [[ ]] rates can be obtained from [ ]

6. OPERATIONAL INFORMATION

Intended to be held in a manner [Yes] / [No]

which would allow Eurosystem eligibility:	
	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with the National Bank of Belgium, immobilised in order to be transferable in book-entry form and settled through the Securities Settlement System and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
	/
	[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with the National Bank of Belgium, immobilised in order to be transferable in book-entry form and settled through the Securities Settlement System. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
ISIN Code:	[ ]
[Temporary ISIN Code:]	[ ]
Common Code:	[ ]
[Temporary Common Code:]	[ ]
[CFI:	[[ ]] / [Not Applicable]
[FISN:	[[ ]] / [Not Applicable]
Delivery:	Delivery [against] / [free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[[ ]] / [Not Applicable]
Name and address of Calculation Agent (if any):	[[ ]] / [Not Applicable]
Name and address of the operator of the Alternative Clearing System (if any):	[[ ]] / [Not Applicable]
[Relevant Benchmark[s]:	[Not Applicable] / [[EURIBOR] / [LIBOR] / [*specify other*

benchmark] is provided by [*in case of EURIBOR:* the European Money Markets Institute ("**EMMI**")] / [*in case of LIBOR:* ICE Benchmark Administration Limited] [*in case of other benchmark: specify administrator legal name*]. As at the date hereof, [EMMI] / [ICE Benchmark Administration Limited] / [*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.]

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated] / [Non-syndicated]
(ii)	If syndicated:	
	(A) Names and addresses of Dealers and underwriting commitments:	[Not Applicable] / [*give names, addresses and underwriting commitments*]
	(B) Date of [Subscription] Agreement:	[[ ]] / [Not Applicable]
	(C) Stabilising Manager(s) if any:	[Not Applicable] / [*give name(s)*]
(iii)	If non-syndicated, name and address of Dealer:	[Not Applicable] / [*give name and address*]
(iv)	US Selling Restrictions (Categories of potential investors to which the Notes are offered):	Reg. S Compliance Category 2; TEFRA not applicable

GENERAL INFORMATION

1. Application has been made for Notes of any Series to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (where it is specified in the relevant Final Terms that such Series of Notes is to be listed and admitted to trading on such market).

2. The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issue and performance of the Notes. The set-up of the Programme by the Issuer was authorised by a resolution of the Board of Directors of the Issuer passed on 18 December 2018 and by a resolution of the Executive Committee of the Issuer passed on 15 January 2019.

3. In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the relevant Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant issue price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

4. There has been no material adverse change in the prospects of the Issuer on a consolidated basis since 31 December 2017. In addition, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for the current financial year.

5. Save as disclosed in the section "*Description of the Issuer – Business Overview of the Issuer* " on pages 115 to 122 of this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 30 June 2018.

6. Save as disclosed under the section "*Description of the Issuer – Legal and arbitration proceedings*" on page 135 of this Base Prospectus, neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months preceding the date of this Base Prospectus which may have or have had in the recent past significant effects, on the financial position or profitability of the Issuer or any of its subsidiaries.

7. The Notes have been accepted for clearance through the Securities Settlement System operated by the National Bank of Belgium. The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any Alternative Clearing System) for each Series of Notes will be set out in the relevant Final Terms.

8. As at the date of this Base Prospectus, the address of the National Bank of Belgium (i.e., the operator of the Securities Settlement System) is Boulevard de Berlaimont 14, B-1000 Brussels, Belgium and the address of the operator of any Alternative Clearing System will be specified in the relevant Final Terms.

9. As at the date of this Base Prospectus, there are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

10. The issue price and the amount of the relevant Notes will be determined before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions.

11. For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will be available, during normal business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and the Paying Agent:

(i) the articles of association of the Issuer;

(ii) this Base Prospectus and any supplements and each Final Terms;

(iii) the Agency Agreement;

(iv) the audited annual reports and audited annual accounts of the Issuer for the years ended 31 December 2016 and 31 December 2017, including the reports of the statutory auditors in respect thereof; and

(v) the unaudited consolidated interim financial statements for the half-year ended 30 June 2018, including the reports of the statutory auditors in respect thereof.

Copies of such documents may also be requested at the e-mail address which will be specified on the Issuer's website (www.argenta.be).

12. The audit of the Issuer's financial statements and annual reports for the years ended 31 December 2016 and 31 December 2017 was conducted by Deloitte Bedrijfsrevisoren BV o.v.v CVBA, represented by Nino De Moor and Dirk Vlaminckx, Gateway building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem (members of IBR – IRE *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*).

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

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2018 Antwerp
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