

INFORMATION MEMORANDUM



Belfius Bank SA/NV

As Issuer

**GLOBAL MULTI-CURRENCY SHORT TERM AND MEDIUM TERM
CERTIFICATES OF DEPOSIT PROGRAMME
(DEPOSITOBEWIJZEN /CERTIFICATS DE DEPÔT)
EUR 25,000,000,000**

The Programme is not guaranteed

This Programme has been rated

The Global Multi-Currency Short Term and Medium-Term Certificates Of Deposit Programme has been assigned ratings by Moody's France S.A.S. ("Moody's"), Fitch France S.A.S. ("Fitch") and Standard & Poor's Credit Market Services France S.A.S. (Standard & Poor's). A 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 relevant rating agency

Belfius Bank SA/NV

As Arranger, Issuing and Paying Agent and Dealer

DATED: 18 February 2022

Potential investors are invited to read this Information Memorandum, and in particular the Terms and Conditions and the selling restrictions, prior to investing.

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the “**Information Memorandum**”) contains summary information provided by Belfius Bank SA/NV (the “**Issuer**”) in connection with a global multi-currency short term and medium term certificates of deposit programme (the “**Programme**”) under which the Issuer may issue and have outstanding at any time global multi-currency short and medium term certificates of deposits (indistinctively the “**Certificates**” or the “**Certificates of Deposit**”) up to a maximum aggregate amount of EUR 25,000,000,000 or its equivalent in other currencies.

In accordance with the Short Term European Paper (“**STEP**”) initiative, this Programme will be submitted to the STEP Secretariat in order to apply for the STEP label for the Certificates of Deposits identified as Certificates of Deposits A described from 1.7 a to 1.28 a of this Information Memorandum. The status of STEP compliance of this Programme, in relation to the Certificates of Deposits A, can be determined from, and this Information Memorandum will be made available on, the STEP market website www.stepmarket.org. The Issuer does not accept any responsibility for the information on the website www.stepmarket.org other than for this Information Memorandum and the other information submitted by the Issuer to the STEP Secretariat in connection with the Programme.

The Issuer has confirmed to the Arranger and the Dealer(s) that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes this Information Memorandum as a whole or any information contained or incorporated by reference herein misleading.

Each investor considering an investment under the Programme shall be deemed to have made its own independent investigation into the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and thus, making its decision to invest, shall not rely, and shall be deemed not to have relied upon any information or advice whatsoever, regarding the Issuer, provided by the Dealer and/or the Domiciliary Agent.

No person is authorised by the Issuer, the Arranger or the Dealer(s) to give any information or to make any representation not contained in this Information Memorandum and any information or representation not contained at any time herein must not be relied upon as having been authorised.

No representation or warranty or undertaking, whether express or implied, is made and no responsibility or liability is accepted about the authenticity, origin validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent agreement, document, material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Arranger, the Dealer(s) or the Issuer that any recipient should purchase Certificates of Deposit. Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum or change in such information coming to the Arranger’s or Dealers’ attention.

Where an additional Dealer is appointed, next to Belfius Bank or in replacement of it, that additional Dealer does not endorse any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer, invitation or solicitation to any person to purchase Certificates of Deposit.

The Domiciliary Agent will, in connection with its appointment or under the Certificates of Deposit, act solely for and upon the instructions of the Issuer and the Dealer(s) and will incur no liability for or in respect of any action (not) taken by it pursuant to the Law and/or the Royal Decree, nor will they have any obligations towards, or a relationship of agency or trust with any of the holders or beneficial owners of or interests in, Certificates of Deposit.

The distribution of this Information Memorandum and the offering for sale of Certificates of Deposit or any interest in such Certificates of Deposit may be restricted by law. Persons obtaining this Information Memorandum or any Certificate of Deposit or any interest in such Certificate of Deposit or any rights in respect of such Certificates are required by the Issuer, the Arranger and the Dealer(s) to inform themselves about and to observe any such restrictions. In particular but without limitation, such persons are required to comply with the restrictions on offers or sales of Certificates of Deposit and on distribution of this Information Memorandum and other information relating to the Certificates of Deposit and the Issuer set out under the chapter "Selling Restrictions".

Where a reference is made to ratings, it should be noted that a rating is not a recommendation to buy, sell or hold securities and that a rating may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.

THE CERTIFICATES OF DEPOSIT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S).

A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSM Act**")) received in connection with the issue or sale of any Certificate of Deposit will only be made in circumstances in which Section 21(1) of the FSM Act does not apply to the Issuer.

MIFID II product governance / target market – The Issuer will before Trade Date and where applicable outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (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 Certificates (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 Certificates is a manufacturer in respect of such Certificates, 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 – Amounts payable under the Certificates may be calculated by reference to certain reference rates. Any such reference rate may –but will not necessarily- constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "Benchmark Regulation"). The benchmarks used as reference rates for the calculation of the amounts payable under the Certificates will be 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.

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DESCRIPTION OF THE PROGRAMME

1.1. Name of the programme	Belfius Bank SA/NV Global Multi-Currency Short and Medium Term Certificates of Deposit Programme
1.2. Type of programme	Global Multi-Currency Short and Medium Term Certificates of Deposit Programme
1.2.1. Certificates A	Short term Certificates: minimum 1 day and maximum up to 1 year. (STEP COMPLIANT)
1.2.2. Certificates B	Medium term Certificates: (unsubordinated debt) : minimum 1 year and 1 day (NON-STEP COMPLIANT)
1.2.3. Certificates C	Medium term Certificates: (subordinated debt): minimum 5 years. (NON-STEP COMPLIANT)
1.3. Name of the issuer	Belfius Bank SA/NV
1.4. Type of issuer	Monetary financial institution
1.5. Purpose of the programme	The net proceeds from the issues of the Certificates of Deposit will be used by the Issuer in connection with its general corporate purposes, or if so agreed between the Issuer, Dealer and holders of Certificates of Deposit, the net proceeds from the issues of the Certificates of Deposit will be used by the Issuer in connection with Issuer's green bond framework (as amended from time to time) (the " Green Bond Framework ").
1.6. Programme size	The Outstanding Amount of the Certificates will not exceed EUR 25,000,000,000 (or its equivalent in other currencies) at any time.

1.7 a to 1.28 a INFORMATION on the Certificates of type A (STEP-COMPLIANT):	
1.7 a Characteristics and form of the Certificates	Dematerialised Certificates of Deposit (<i>gedematerialiseerde depositobewijzen/certificats de dépôt dématérialisés</i>)
1.8 a Yield Basis	Unless otherwise specified at issue, Certificates of Deposits may be issued at a discount basis or may bear fixed or floating rate interest.
1.9 a Currencies of issue of the Certificates	Multi-currency. Certificates of Deposit may be denominated in any of the currencies of an O.E.C.D. member state. Euro herein referred to as “ EUR ” and any of the currencies of an O.E.C.D. member state save EUR herein referred to as a “ Foreign Currency ”.
1.10 a Maturity of the Certificates of Deposits	Minimum 1 day; maximum 1 year.
1.11 a Minimum Issuance Amount	Issuance with a minimum of EUR 250,000 per Certificate (or its approximate equivalent - but never below the counter value of EUR 250,000 - in any Foreign Currency at the time of issuance or such other minimum as the applicable regulations may in the future define).
1.12 a Minimum denomination of the Certificates of Deposits	The denominations have to comply with all legal and regulatory requirements. As at the date hereof, the minimum denominations amount to multiples of EUR 1,000 with a minimum of EUR 250,000 per Certificate. For issues in a Foreign Currency, minimum denominations amount to multiples of 1,000 in the Specified Currency with a minimum of an equivalent value of EUR 250,000 per Certificate in the Specified Currency.
1.13 a Status of the Certificates of Deposits	The Certificates A constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank at all times <i>pari passu</i> amongst themselves and equally with all other present and future unsecured and unsubordinated indebtedness of the Issuer 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.
1.14 a Governing law that applies to the Certificates of Deposits	The Certificates of Deposits shall be governed by and construed in accordance with the laws of the Kingdom of Belgium and will be subject to the jurisdiction of the courts of Brussels, Belgium.
1.15 a Listing	The Certificates of Deposits under this Programme will not be listed on any market, regulated or non-regulated.
1.16 a Settlement system	The Certificates of Deposit will be cleared and settled through the securities settlement system operated by the National Bank of Belgium. Delivery is also possible through other clearing systems. A list of CSD’s having an investor link with NBB-SSS is available at following internet address: https://www.nbb.be/nl/list-nbb-investor-icsds
1.17 a Rating(s) of the Programme	The programme has been assigned ratings by Fitch , Moody’s and Standard & Poor’s (see below).

1.18 a Guarantor(s)	Not guaranteed
1.19 a Issuing and paying agent(s)	Belfius Bank SA/NV (the <i>"Domiciliary Agent"</i>).
1.20 a Arranger	Belfius Bank SA/NV
1.21 a Dealer(s)	Belfius Bank SA/NV Belfius Bank SA/NV as Issuer may appoint additional Dealers.
1.22 a Selling restrictions	Offers and sales of Certificates and the distribution of this Information Memorandum and other information relating to the Issuer and the Certificates are subject to certain restrictions, details which are set out under the chapter "Selling Restrictions" below.
1.23 a Taxation	<p>Persons or institutions defined in Article 4 of the Royal Decree of 26 May 1994 as amended, are entitled to open a securities account in the NBB-SSS (or with a Custodian) on which no Belgian withholding tax is due or will be levied (a so-called <i>"X-Account"</i>).</p> <p>Persons or institutions that are not defined in Article 4 of the Royal Decree of 26 May 1994 as amended, will have to open a securities account in the NBB-SSS (or with a Custodian) on which a Belgian withholding tax is due and will be levied (a so-called <i>"N-Account"</i>).</p> <p>A grossing up clause applies for holders of Certificates of Deposit held on an X-account.</p>
1.24 a Involvement of national authorities	The National Bank of Belgium is involved as operator of the NBB-SSS .
1.25 a Contact details	<p>Address:</p> <p>Place Charles Rogier 11, 1210 Brussels, Belgium</p> <p>Telephone:</p> <p>+32 2 222 11 11</p> <p>+ 32 2 250 70 76</p> <p>e-mail:</p> <p>SALES.INSTITUTIONAL@belfius.be</p> <p>ebelfiusban@bloomberg.net</p> <p>stir@belfius.be</p>
1.26 a Additional information on the programme	<p>Unless otherwise specified at issue, the net proceeds of the issue of the Certificates will be used by Belfius Bank for its general corporate purposes.</p> <p>Potential eligibility of Certificates for collateral purposes in credit operations of the central banking system for the euro (the <i>"Eurosystem"</i>): The Short-Term European Paper (STEP) market has been accepted as a non-regulated market for collateral purposes in credit operations of the central banking system for the euro (the <i>"Eurosystem"</i>) from 2 April 2007. In order to be eligible as collateral for Eurosystem operations, Certificates issued under STEP-compliant</p>

	programmes will also have to comply with all the eligibility criteria listed in Part Four of the “GUIDELINE (EU) 2015/510 OF THE EUROPEAN CENTRAL BANK of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60)”, as amended from time to time.
1.27 an Independent auditors of the issuer, who have audited the accounts of the issuer’s annual report	KPMG Reviseurs d’Entreprises SCRL Gateway building, Luchthaven Nationaal 1 K 1930 Zaventem Belgium
1.7 b to 1.28 b INFORMATION on the Certificates of type B (NON STEP-COMPLIANT):	
1.7 b Characteristics and form of the Certificates	Dematerialised Certificates of Deposit (<i>gedematerialiseerde depositobewijzen/ certificats de dépôt dématérialisés</i>)
1.8 b Yield Basis	Floating rate, fixed rate or zero-coupon.
1.9 b Currencies of issue of the Certificates	Multi-currency. Certificates of Deposit may be denominated in any of the currencies of an O.E.C.D. member state. Euro herein referred to as “ EUR ” and any of the currencies of an O.E.C.D. member state save EUR herein referred to as a “ Foreign Currency ”.
1.10 b Maturity of the Certificates of Deposits	Minimum 1 year and 1 day
1.11 b Minimum Issuance Amount	Issuance with a minimum of EUR 250,000 per Certificate (or its approximate equivalent - but never below the counter value of EUR 250,000 – in any Foreign Currency at the time of issuance or such other minimum as the applicable regulations may in the future define).
1.12 b Minimum denomination of the Certificates of Deposits	The denominations have to comply with all legal and regulatory requirements. As at the date hereof, the minimum denominations amount to multiples of EUR 1,000 with a minimum of EUR 250,000 per Certificate. For issues in a Foreign Currency, minimum denominations amount to multiples of 1,000 in the Specified Currency with a minimum of an equivalent value of EUR 250,000 per Certificate in the Specified Currency.
1.13 b Status of the Certificates of Deposits	The Certificates B constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank at all times <i>pari passu</i> amongst themselves and equally with all other present and future unsecured and unsubordinated indebtedness of the Issuer 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. There are no events of default (other than in the event of a dissolution or liquidation of the Issuer) allowing acceleration of the Certificates B if certain events occur. Accordingly, if the Issuer fails to meet any obligations under such Certificates of Deposit, 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 holders of Certificates B for recovery of amounts owing in respect of any payment of principal or interest on the Certificates B will be the institution of proceedings for the dissolution or liquidation of the Issuer in Belgium.
1.14 b Governing law that applies to the Certificates of Deposits	The Certificates of Deposits shall be governed by and construed in accordance with the laws of the Kingdom of Belgium and will be subject to the jurisdiction of the Courts of Brussels, Belgium.
1.15 b Listing	The Certificates of Deposits under this Programme will not be listed on any market, regulated or non-regulated.
1.16 b Settlement system	The Certificates of Deposit will be cleared and settled through the securities settlement system operated by the National Bank of Belgium. Delivery is also possible through other clearing systems. A list of CSD's having an investor link with NBB-SSS is available at following internet address: https://www.nbb.be/nl/list-nbb-investor-icsds
1.17 b Rating(s) of the Programme	The programme has been assigned ratings by Fitch , Moody's and Standard & Poor's (see below).
1.18 b Guarantor(s)	Not guaranteed
1.19 b Issuing and paying agent(s)	Belfius Bank SA/NV (the " Domiciliary Agent ").
1.20 b Arranger	Belfius Bank SA/NV
1.21 b Dealer(s)	Belfius Bank SA/NV Belfius Bank SA/NV as Issuer may appoint additional Dealers.
1.22 b Selling restrictions	Offers and sales of Certificates and the distribution of this Information Memorandum and other information relating to the Issuer and the Certificates are subject to certain restrictions, details which are set out under the chapter "Selling Restrictions" below.
1.23 b Taxation	Persons or institutions defined in Article 4 of the Royal Decree of 26 May 1994 as amended, are entitled to open a securities account in the NBB-SSS (or with a Custodian) on which no Belgian withholding tax is due or will be levied (a so-called " X-Account "). Persons or institutions that are not defined in Article 4 of the Royal Decree of 26 May 1994 as amended, will have to open a securities account in the NBB-SSS (or with a Custodian) on which a Belgian withholding tax is due and will be levied (a so-called " N-Account "). A grossing up clause applies for holders of Certificates of Deposit held on an X-account.
1.24 b Involvement of national authorities	The National Bank of Belgium is involved as operator of the NBB-SSS.
1.25 b Contact details	Address: Place Charles Rogier 11, 1210 Brussels, Belgium Telephone: +32 2 222 11 11

	e-mail: SALES.INSTITUTIONAL@belfius.be and ebelfiusban@bloomberg.net
1.26 b Additional information on the programme	<p>Unless otherwise specified at issue, the net proceeds of the issue of the Certificates will be used by Belfius Bank for its general corporate purposes</p> <p>Potential eligibility of Certificates for collateral purposes in credit operations of the central banking system for the euro (the "Eurosystem"): In order to be eligible as collateral for Eurosystem operations, Certificates B will have to comply with all the eligibility criteria listed in Part Four of the "GUIDELINE (EU) 2015/510 OF THE EUROPEAN CENTRAL BANK of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60)", as amended from time to time.</p>
1.27 b Independent auditors of the issuer, who have audited the accounts of the issuer's annual report	KPMG Reviseurs d'Entreprises SCRL Gateway building, Luchthaven Nationaal 1 K 1930 Zaventem Belgium

1.7 c to 1.28 c INFORMATION on the Certificates of type C (NON STEP-COMPLIANT):	
1.7 c Characteristics and form of the Certificates	Dematerialised Subordinated Certificates of Deposit (<i>gedematerialiseerde depositobewijzen/certificats de dépôt dématérialisés</i>)
1.8 c Yield Basis	Floating rate, fixed rate or zero-coupon.
1.9 c Currencies of issue of the Certificates	<p>Multi-currency.</p> <p>Certificates of Deposit may be denominated in any of the currencies of an O.E.C.D. member state.</p> <p>Euro herein referred to as "EUR" and any of the currencies of an O.E.C.D. member state save EUR herein referred to as a "Foreign Currency".</p>
1.10 c Maturity of the Certificates of Deposits	Minimum 5 years
1.11 c Minimum Issuance Amount	Issuance with a minimum of EUR 250,000 per Certificate (or its approximate equivalent - but never below the counter value of EUR 250,000 - in any Foreign Currency at the time of issuance or such other minimum as the applicable regulations may in the future define)
1.12 c Minimum denomination of the Certificates of Deposits	The denominations have to comply with all legal and regulatory requirements. As at the date hereof, the minimum denominations amount to multiples of EUR 1,000 with a minimum of EUR 250,000 per Certificate. For issues in a Foreign Currency, minimum denominations amount to multiples of 1,000 in the Specified Currency with a minimum of an equivalent value of EUR 250,000 per Certificate in the Specified Currency.
1.13 c Status of the Certificates of Deposits	The Certificates C in respect of which the status is specified hereon as "Subordinated" (" Subordinated Certificates of Deposit ") and the receipts

	<p>and coupons relating to them constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves.</p> <p>In the event of dissolution or liquidation of the Issuer (including the following events creating a competition between creditors (<i>“samenloop van schuldeisers/concours de créanciers”</i>): bankruptcy (<i>“faillissement/faillite”</i>), judicial liquidation (<i>“gerechtelijke vereffening/liquidation forcée”</i>) or voluntary liquidation (<i>“vrijwillige vereffening/liquidation volontaire”</i>) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer)), the rights and claims of the holders of Subordinated Certificates of Deposit against the Issuer shall be for an amount equal to the principal amount of each Subordinated Certificate of Deposit together with any amounts attributable to such Subordinated Certificate of Deposit and shall rank:</p> <ul style="list-style-type: none"> (A) subject to any obligations which are mandatorily preferred by law, junior to the claims of (1) depositors and all other unsubordinated creditors and (2) all Eligible Creditors of the Issuer; (B) <i>pari passu</i> without any preference among themselves and <i>pari passu</i> with any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Certificates of Deposit; and (C) senior and in priority to (1) the claims of holders of all classes of share or other equity capital (including preference shares) of the Issuer, (2) 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 (3) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Certificates of Deposit. <p>““Eligible Creditors” means creditors holding claims that, in accordance with their terms, rank or are expressed to rank senior to the Subordinated Certificates of Deposit and Junior to Certificates A and B and other preferred senior obligations as described in article 389/1, 1° of the Belgian Banking Law.</p>
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	There are no events of default (other than in the event of a dissolution or liquidation of the Issuer) allowing acceleration of the Subordinated Certificates of Deposit if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Subordinated Certificates of Deposit, 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 holders of Subordinated Certificates of Deposit for recovery of amounts owing in respect of any payment of principal or interest on the Subordinated Certificates of Deposit will be the institution of proceedings for the dissolution or liquidation of the Issuer in Belgium.
1.14 c Governing law that applies to the Certificates of Deposits	The Certificates of Deposits shall be governed by and construed in accordance with the laws of the Kingdom of Belgium and will be subject to the jurisdiction of the Courts of Brussels, Belgium.
1.15 c Listing	The Certificates of Deposits under this Programme will not be listed on any market, regulated or non-regulated.
1.16 c Settlement system	The Certificates of Deposit will be cleared and settled through the securities settlement system operated by the National Bank of Belgium. Delivery is also possible through other clearing systems. A list of CSD's having an investor link with NBB-SSS is available at following internet address: https://www.nbb.be/nl/list-nbb-investor-icsds
1.17 c Rating(s) of the Programme	The above referenced program has been assigned ratings by Fitch, Moody's and Standard & Poor's (see below).
1.18 c Guarantor(s)	Not guaranteed
1.19 c Issuing and paying agent(s)	Belfius Bank SA/NV (the " Domiciliary Agent ").
1.20 c Arranger	Belfius Bank SA/NV
1.21 c Dealer(s)	Belfius Bank SA/NV Belfius Bank SA/NV as Issuer may appoint additional Dealers.
1.22 c Selling restrictions	Offers and sales of Certificates and the distribution of this Information Memorandum and other information relating to the Issuer and the Certificates are subject to certain restrictions, details which are set out under the chapter "Selling Restrictions" below.
1.23 c Taxation	Persons or institutions defined in Article 4 of the Royal Decree of 26 May 1994 as amended, are entitled to open a securities account in the NBB-SSS (or with a Custodian) on which no Belgian withholding tax is due or will be levied (a so-called " X-Account "). Persons or institutions that are not defined in Article 4 of the Royal Decree of 26 May 1994 as amended, will have to open a securities account in the NBB-SSS (or with a Custodian) on which a Belgian withholding tax is due and will be levied (a so-called " N-Account "). A grossing up clause applies for holders of Certificates of Deposit held on an X-account.
1.24 c Involvement of national authorities	The National Bank of Belgium is involved as operator of the NBB-SSS.

1.25 c Contact details	Address: Place Charles Rogier 11, 1210 Brussels, Belgium
1.26 c Additional information on the programme	Unless otherwise specified at issue, the net proceeds of the issue of the Certificates will be used by Belfius Bank for its general corporate purposes
1.27 c Independent auditors of the issuer, who have audited the accounts of the issuer's annual report	KPMG Reviseurs d'Entreprises SCRL Gateway building, Luchthaven Nationaal 1 K 1930 Zaventem Belgium

DESCRIPTION OF THE ISSUER

2.1 Legal name	Belfius Bank
2.2 Legal form and status	Public limited liability company (<i>naamloze vennootschap (NV)/société anonyme (SA)</i>) of unlimited duration incorporated on 23 October 1962 under the Belgian law which collects savings from the public.
2.3 Date of establishment	23 October 1962
2.4 Registered office and place of registration	<p>By decision of the Board of Directors of 22 March 2018, the registered office of Belfius Bank has been transferred on 28 May 2018 to Place Charles Rogier 11, 1210 Brussels, Belgium Telephone +32 22 22 11 11 Website https://www.belfius.be</p> <p>The Issuer is licensed as a credit institution in accordance with the Law of 25 April 2014 on the status and supervision of credit institutions (the "Banking Law"). Belfius Bank SA/NV is registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185. The Articles of Association of Belfius Bank SA/NV were last amended by notarial deed on 23 December 2013. Belfius Bank's Legal Entity Identifier code (LEI) is A5GWLFH3KM7YV2SFQL84.</p>
2.5 Issuer's mission	With an essentially Belgian balance sheet for its commercial activities and customers from all segments, Belfius is in a position to act as a universal bank "of and for Belgian society". Belfius is committed to maximal customer satisfaction and added social value by offering products and providing services with added value through a modern distribution model. Thanks to a prudent investment policy and a carefully managed risk profile, Belfius aspires to a sound financial profile that results in a solid liquidity and solvency position.
2.6 Brief description of current activities	Belfius is first and foremost a locally embedded independent banking and insurance group which provides financial services to private individuals, professionals, social-profit institutions, corporates and the public authorities in Belgium.

Main commercial subsidiaries

Belfius Insurance

Insurance company marketing life and non-life insurance products, savings products and investments for individuals, the self-employed, liberal professions, companies and the public and social sector. At the end of June 2021, the total consolidated balance sheet of Belfius Insurance amounted to EUR 22 billion⁽¹⁾.

Crefius

Company servicing and managing mortgage loans. At the end of June 2021, the total balance sheet of Crefius amounted to EUR 20 million⁽²⁾.

Belfius Auto Lease

Company for operational vehicle leasing and car fleet management, maintenance and claims management services. At the end of June 2021, the total balance sheet of Belfius Auto Lease amounted to EUR 455 million⁽²⁾.

Belfius Lease

Company for financial leasing and renting of professional capital goods. At the end of June 2021, the total balance sheet of Belfius Lease amounted to EUR 1,020 million⁽²⁾.

Belfius Lease Services

Financial leasing and renting of professional capital goods to the self-employed, companies and liberal professions. At the end of June 2021, the total balance sheet of Belfius Lease Services amounted to EUR 2,126 million⁽²⁾.

Belfius Commercial Finance

Company for financing commercial loans to debtors, debtor in-solvency risk cover and debt recovery from debtors (factoring). At the end of June 2021, the total balance sheet of Belfius Commercial Finance amounted to EUR 1,063 million⁽²⁾.

Belfius Investment Partners

Company for administration and management of investment funds. At the end of June 2021, the total balance sheet of Belfius Investment Partners amounted to EUR 148 million⁽²⁾ and assets under management amounted to EUR 21.1 billion.

Financial results

Results 2020

Belfius' consolidated net income amounted to EUR 532 million in 2020, which is lower than in 2019 (EUR 667 million) due to the COVID-19 crisis impact, mainly through the related Loan Loss Provisioning charge ("Cost of Risk"). Belfius Bank contributed for EUR 319 million (-31% compared to 2019) and Belfius Insurance for EUR 212 million (+3% compared to 2019).

The total income amounted to EUR 2,614 million in 2020, which is 5% higher than in 2019 (EUR 2,489 million) thanks to:

- an increase of net interest income bank (EUR 1,590 million in 2020 versus EUR 1,488 million in 2019);
- excellent net fee and commission income bank (EUR 622 million in 2020 versus EUR 563 million in 2019) mainly due to higher asset management and entry fees;
- increased non-life insurance income (EUR 244 million in 2020 versus EUR 199 million in 2019), notably thanks to the success of the bank-insurance model as well as to an improved NCR linked to the lower claims frequency during COVID-19 lockdown;
- lower life insurance income (EUR 273 million in 2020 versus EUR 295 million in 2019), due to the negative impact on financial results on life insurance reserves' investments, particularly from financial instruments accounted for in fair value through P&L and to lower realised capital gains in the life insurance bond portfolio; and
- other income amounted to EUR -116 million in 2020, more negative than in 2019 (EUR -56 million). The year-on-year delta is mainly stemming from higher bank levies (EUR 222 million in 2020 versus EUR 205 million in 2019) and lower trading and hedge results mainly due to the impact of increased credit spreads on non-basic financial instruments and credit derivatives.

The operating costs remained well contained at EUR 1,465 million in 2020, which is a limited 1% increase in comparison to EUR 1,452 million in 2019, driven by a decrease in staff expenses, general expenses and network costs, and despite the fact that Belfius continued to invest structurally in IT and digitalisation. This led to a noticeable improvement in the cost-income ratio of 56.0% in 2020, compared to 58.4% in 2019.

All in all, the combination of strong income dynamics, despite some headwinds from volatile financial markets and lower-for-longer interest rate environment, together with contained operating expenses, notwithstanding continuing investments in commercial activities, ESG, IT and digitisation, led to an increase of 11% in pre-provision income, to EUR 1,149 million in 2020 (versus EUR 1,036 million in 2019).

In light of the COVID-19 crisis, Belfius made a detailed review of its credit risk portfolio, and materially increased its IFRS 9 provisions in line with the strongly deteriorated economic environment, leading to a cost of risk strongly increasing from EUR 111 million in 2019 to EUR 453 million in 2020 (or approximately 35 bps of the outstandings), of which EUR 331 million (26 bps) can be economically labelled as our current best estimate "ex-ante provisioning" of expected losses due to the effects of the COVID-19 crisis.

As a result, the net income before taxes amounted to EUR 679 million in 2020, compared to EUR 918 million in 2019.

The tax expenses amounted to EUR 147 million in 2020 compared to EUR 252 million in 2019, mainly due to lower taxable profit. The consolidated effective tax rate (ETR) stood at 22%, below the statutory tax rate (25.0% in 2020, down from 29.6% in 2019).

As a consequence, consolidated net income reached EUR 532 million in 2020, compared to EUR 667 million in 2019.

⁽¹⁾ For more details see the annual report 2020 of Belfius Insurance and the half-yearly report 2021 of Belfius Bank

⁽²⁾ Total IFRS balance sheet before consolidation adjustments

In terms of financial solidity metrics, Belfius continues to display sound solvency, liquidity, and risk metrics:

- the CET 1 ratio stood at 17.1%, 126 bps up compared to December 2019 as a result of a positive impact of higher CET 1 capital (+214 bps) and a negative impact of higher total risk exposure (-88 bps);
- the Total Capital ratio stood at 20.4%, compared to 19.2% end 2019;
- the Leverage ratio increased to 6.9%, up 91 bps compared to December 2019;
- insurance activities also show continued solid solvency metrics, with a Solvency II ratio of 200% at the end of December 2020;
- at the end of 2020, Belfius also continued to show an excellent liquidity and funding profile with a LCR of 158% and a NSFR of 128%;
- total shareholders' equity (Net Asset Value) further improved to EUR 10.2 billion at the end of December 2020 (versus close to EUR 10 billion at the end of 2019).

Results 1H 2021

Financial results

Belfius' consolidated net income amounted to EUR 406 million for the first semester of 2021 (1H2021), which is much higher than for the first semester of 2020 (EUR 21 million), impacted by the Covid-19 crisis mainly through the related Loan Loss Provisioning charge ("Cost of Risk") and higher than 1H2019 (EUR 304 million). Belfius Bank contributed for EUR 290 million and Belfius Insurance for EUR 116 million.

The total income amounted to EUR 1,232 million in 1H2021, which is 9% higher than in 1H2020 (EUR 1,132 million) thanks to:

Net interest income (NII) bank continued to grow (EUR 797 million in 1H 2021 vs EUR 779 million in 1H 2020) mainly thanks to (a) the excellent commercial loans dynamics in all segments of Belgian economy, leading to a continued diversification of the loan portfolio at Belfius, (b) the disciplined pricing thereof, as such compensating for the pressure on interest margins on non-maturing deposits stemming from the historically low interest rate environment, and (c) the increased interest income support from the TLTRO.

Higher **net fee and commission income bank** (EUR 360 million in 1H 2021 vs EUR 302 million in 1H 2020), mainly driven by a strong production of mutual funds generating higher entry fees (EUR +12 million vs 1H 2020) and by higher average fund balances generating higher servicing fees (EUR +32 million vs 1H 2020). The positive dynamics in daily banking services (accounts, cards, ...) also contributed an additional EUR 10 million.

Important increase of **life insurance income** (EUR 144 million in 1H 2021 vs EUR 115 million in 1H 2020), due to increasing financial margins and despite slightly decreasing overall reserves (decrease in financial life reserves (Branch 21/26) but increase in unit-linked and classical life reserves).

Slight decrease of **non-life insurance income** (EUR 122 million vs EUR 129 million in 1H 2020) due to lower reassessment of technical provisions (EUR -7 million) and to less favourable claim experience compared to 1H 2020 (1H 2020 was strongly impacted by the first lockdown), partly offset by lower storm charges (EUR +13 million).

Other income amounted to EUR -191 million in 1H 2021, broadly in line with the level in 1H 2020 (EUR -193 million). This evolution is driven by higher bank levies (EUR -34 million) and smaller net income on investments (EUR -14 million), compensated by higher **Trading & Hedge results (EUR +48 million)** and **higher dividend revenues (EUR +8 million)**.

Costs continue to be tightly managed and increased by only EUR 9 million compared to 1H 2020, mainly due to higher network fees (EUR -6 million) and higher general expenses (EUR -7 million), both linked to the excellent commercial dynamics, partly offset by lower depreciations (EUR +4 million).

The combination of all the above leads to an outstanding level of **Pre-provision income** for 1H 2021 at EUR 512 million (compared to EUR 421 million for 1H 2020), with a consolidated **Cost-Income ratio** of 58% (vs 63% in 1H 2020).

The level of the **Cost of Risk** was positive in 1H 2021 (EUR +31 million, compared to EUR -393 million in 1H 2020), driven by partial net reversal of the 2020 Covid-19 related provisioning. More details on Cost of Risk, are provided in the Risk Management section of this report.

As a result, the **net income before taxes** amounted to EUR 542 million in 1H 2021, compared to EUR 26 million in 1H 2020.

The **tax expenses** amounted to EUR 136 million in 1H 2021 compared to EUR 5 million in 1H 2020. The effective tax rate in 1H 2021 is at 25%.

As a consequence, **consolidated net income** 1H 2021 reached EUR 406 million, much higher than in 1H 2020 (EUR 21 million).

In terms of financial solidity metrics, Belfius continues to display sound solvency, liquidity and risk metrics:

- the CET 1 ratio amounted to 16.16% end of June 2021, down 95 bps compared to end 2020. This evolution is explained by an increase of the CET 1 capital (+28 bps) and an increase of the regulatory risk exposures (-124 bps), stemming from our dynamic commercial growth and some regulatory (TRIM and CRR2) related increases;
- the Total capital ratio amounted to 19.14% end of June 2021, compared to 20.4% end 2020;
- the Leverage ratio amounted to 6.89% end of June 2021, in line with end 2020 (6.85%);
- the LCR and NSFR stand at 189% and 136% respectively;
- the Solvency II ratio for Belfius Insurance equals a solid 197% at the end of June 2021;
- Total shareholders' equity amounted to EUR 10.6 billion at the end of June 2021 (versus EUR 10.2 billion at the end of December 2020).

The Board of Directors of 25 March 2021 decided upon a proposal for dividend over 2020 year-end results of EUR 207 million. However, due to the binding restriction imposed by the ECB as a result of the Covid-19, the effective pay-out ratio on FY2020 results was set at 15% or EUR 77 million for Belfius in 1H 2021 and EUR 130 million (i.e. 25% of pay-out ratio) was included in Reported Earnings in the 2020 end year accounts. Following the release of the restrictions by the ECB and according to the approval by competent authorities and an Extraordinary General Assembly, Belfius has distributed in October 2021 a residual dividend of EUR 130 million related to 2020 results.

Impact of the COVID-19 crisis

Since the beginning of the Covid-19 crisis, Belfius has continuously and fully delivered on its societal role by providing the necessary liquidity and by granting deferred payments for individuals, companies and SMEs in temporary difficulties, and this with an overall contribution higher than its market share would have suggested:

- 25,740 company loans, in an amount of EUR 5.3 billion, benefited from deferred payments, including renewals on roll-over loans, to corporate and business customers;
- 13,855 leasing contracts of corporate and business customers similarly benefited from deferred payments in an amount of EUR 914 million;
- 424 requests for deferred payments were granted on EUR 400 million of loans to the public sector (mainly the social sector);
- 19,614 requests for deferred payment were granted on EUR 2 billion of mortgage loans under the general Covid-19 scheme, in addition to a contractual payment deferral granted to 9,938 files representing more than EUR 1 billion;
- finally, EUR 556 million of new loans were granted under the Belgian State guarantee scheme, to corporate, business, public and social sector customers.

At the end of 1H 2021, out of the EUR 5.3 billion of loans to corporate and business customers that were granted moratorium since start of the Covid-19 crisis, EUR 0.8 billion are still subject to payment holidays. 98% of corporate and business loans for which the moratorium came to an end, have resumed their normal payments of formerly deferred amounts. For the mortgage loans, 99% of the clients have resumed the payments (100% in the public sector).

On the insurance side, Belfius Insurance similarly extended support to its customers, including through the deferral of premiums (especially on insurance policies related to mortgage loans) and extended covers (a.o. for health care for volunteers and for the delivery / take away activities).

Minimum CET 1 requirements (SREP)

Belfius Bank reports on its solvency position on a consolidated level and on a statutory level in line with CRR/CRD IV regulations, amended by CRR2/CRD5:

- (a) the minimum capital requirements ("Pillar 1 requirements") as defined by Article 92 of Regulation (EU) No 575/2013 (CRR);

- (b) the capital requirements that are imposed by the decision following the SREP pursuant to Article 16(2)(a) of Regulation (EU) No 1024/2013 and which go beyond the Pillar 1 requirements ("Pillar 2 requirements");
- (c) the combined buffer requirement as defined in Article 128(6) of Directive 2013/36/EU (CRD IV).

As a result of the annual "Supervisory Review and Evaluation Process" (SREP) finalised by the ECB at the end of 2019, Belfius must comply for 2020 with a minimum CET 1 ratio of 10.57% (including the countercyclical capital buffer), composed of:

- (a) Pillar 1 minimum of 4.5%;
- (b) Pillar 2 Requirement (P2R) of 2%;
- (c) capital conservation buffer (CCB) of 2.5%;
- (d) buffer for (other) domestic systemically important institutions (O-SII buffer) of 1.5% (imposed by the National Bank of Belgium); and
- (e) countercyclical capital buffer (CCyB) of 0.07%.

Belfius has to respect the full combined buffer requirements (capital conservation buffer, countercyclical capital buffer, buffer for systemically important institutions and systemic risk buffer) and the Pillar 2 buffer requirements. Note that the ECB also notified Belfius of a Pillar 2 Guidance (P2G) of 1% CET 1 ratio for 2020, a recommended buffer to be held over the minimum requirements set out above.

Following various announcements⁽³⁾ over 2019 and 2020 by a number of regulatory bodies, the countercyclical capital buffer requirement for Belfius is now below 1bp, relating to Belfius' very limited exposures under the countercyclical buffer requirements of Luxembourg, Hong Kong, Slovakia, Norway, Bulgaria and the Czech Republic.

Due to ECB measures, notified to Belfius on 8 April 2020, banks are able to use capital instruments that do not qualify as Common Equity Tier 1 (such as Additional Tier 1 or Tier 2 instruments) to partially meet Pillar 2 Requirements (P2R – Article 104-a of CRD IV). As a result, the P2R total capital buffer of 2% can be split into:

- (a) 1.125% to meet CET 1 instruments;
- (b) 0.375% to meet Additional Tier 1 instruments; and
- (c) 0.5% to meet Tier 2 instruments.

As from 1H 2020, Belfius had therefore to comply with a minimum CET 1 ratio of 9.625%, which is composed of:

- (a) a Pillar 1 minimum of 4.5%;
- (b) a Pillar 2 Requirement (P2R) of 1.125%;
- (c) a capital conservation buffer (CCB) of 2.5%;

⁽³⁾ See [Countercyclical capital buffer \(CCyB\) \(bis.org\)](#) and [Countercyclical capital buffer \(europa.eu\)](#) for further details.

(d) a O-SII buffer of 1.5%; and

(e) a total countercyclical capital buffer of 0%.

The ECB has also confirmed the Pillar 2 Guidance (P2G) for Belfius of 1% CET 1 ratio for 2020, setting the minimum requirement at 10.625%.

For 1H 2021, Belfius had to comply with a minimum CET 1 ratio of 9.635%.

Indeed, the countercyclical capital buffer requirement for Belfius is now at 1 bp, relating to Belfius' very limited exposures under the countercyclical buffer requirements of Luxembourg and Hong Kong.⁽⁴⁾

Minimum CET 1 Requirement		
(In %)	2020	1H2021
Pillar I minimum	4.5%	4.5%
Pillar II requirement	1.125%	1.125%
Capital conservation buffer	2.5%	2.5%
Buffer for (other) domestic systemically important institutions	1.5%	1.5%
Countercyclical buffer	0.00%	0.01%
MINIMUM CET 1 - RATIO REQUIREMENT	9.625%	9.635%

At the end of 2020 the ECB informed Belfius that the ECB is not issuing a SREP decision for the 2020 SREP cycle and that the previous '2019 SREP Decision' from the end of 2019 and its amendments remains into force for 2021.

The ECB has also confirmed the Pillar 2 Guidance (P2G) for Belfius of 1% CET 1 ratio for 2021, setting the minimum requirement at 10.635%.

The consolidated CET 1 ratio of Belfius at the end of June 2021 stood at 16.16%, well above the 2021 applicable CET 1 capital requirement mentioned above.

Further to these regulatory requirements, Belfius stated in its RAF that, in normal market circumstances and under stable regulations, it would strive to respect a minimum operational CET 1 ratio of 13.5%, on solo and consolidated levels – this was defined before the Covid-19 pandemic. Even during the Covid-19 pandemic, Belfius continued its support of the Belgian economy, in line with the request of the regulators. As a result, a temporary exemption was validated by the Board of Directors in 1H 2020, to reduce the minimum operational CET 1 ratio to a zone of 12.5% - 13.5%. The reduction in the CET 1 ratio should exclusively cover any credit risk deterioration and loss provisioning, if needed, in order to keep on supporting the Belgian economy. The former minimum operational CET 1 ratio level of 13.5% will be restored once the economic and financial context has normalised.

Based on the new Pillar 2 Requirement (P2R) of 2,13% applicable as from 1 March 2022 onwards, Belfius SREP CET1 requirement (based on and including currently applicable Countercyclical Capital Buffers) will equal to 9.71%, a slight increase of 7.5 bp compared to H1 2021 level of 9.635%.

⁽⁴⁾ Most countries have cancelled their CCyB in 2020, but some others have kept it (amongst others Hong Kong and Luxembourg). The details of exposure value and CCyB calculation are disclosed in the appendix to the the Risk Report 2020 of Belfius, available on its website www.belfius.be.

Activities

Analytically, Belfius splits its activities and accounts in three segments: Retail and Commercial (RC), Public and Corporate (PC) and Group Center (GC); with RC and PC containing the key commercial activities of Belfius.

- **Retail and Commercial (RC)**, managing the commercial relationships with individual customers and with small & medium sized enterprises both at bank and insurance level.
- **Public and Corporate (PC)**, managing the commercial relationships with public sector, social sector and corporate clients both at bank and insurance level.
- **Group Center (GC)**, containing the residual results not allocated to the two commercial segments. This mainly consists of results from Bond and Derivative portfolio management.

Retail and Commercial (RC)

RC business description

Belfius Bank offers individuals, self-employed persons, the liberal professions (i.e. doctors, lawyers, etc.) and SMEs a comprehensive range of retail, commercial, private banking, wealth management and insurance products and services. Belfius Bank serves its 3.7 million customers through its integrated omni-channel distribution network, which includes 551 branches, its modern interaction platform, Belfius Connect, and a large number of automatic self-banking machines. Belfius has also been developing a digital strategy and is now a leader in mobile banking, with over 1.67 million active mobile users.

Belfius Insurance, a subsidiary of Belfius Bank, offers insurance products to its customers through the Belfius Bank branch network, as well as through the tied agent network of DVV insurance. Belfius' bank-insurance model is fully integrated, with insurance expertise offered through Belfius Bank branches and the omni-channel distribution network. It also offers insurance products through Corona Direct Insurance, which is, according to Assuralia, the fastest growing fully direct insurer in Belgium. Corona operates exclusively via digital media and call channels. Through its Elantis and DVV brands, Belfius Insurance also offers mortgage loans and consumer loans to its customers.

RC commercial performance in 1H 2021

The commercial activity continues to show excellent dynamics despite Covid-19 crisis environment. On 30 June 2021, total savings and investments stood at EUR 129.7 billion, an increase of 6.5% compared with the end of 2020. The organic growth in 1H 2021 amounted to EUR 4.9 billion, stemming mainly from the large increase in Non Maturing Deposits (saving and payment accounts) explained by the context of uncertainty linked to the Covid-19 crisis.

On-balance sheet deposits amounted EUR 81.3 billion on 30 June 2021, up 4.9% from the end of 2020. This was driven by strong growth in the funds deposited in current and savings accounts, which reached EUR 21.2 billion (+11.4%) and EUR 52.2 billion (+4.2%) respectively at the end of June 2021. The investments in term products continued to decrease: -12.6% for savings certificates and -18.2% for term accounts.

Off-balance sheet investments increased by 12.6% compared to the end of 2020, to EUR 38.5 billion, despite turbulent and uncertain economic context. This strong increase stems from both positive market effect and positive organic growth.

Life insurance reserves for investment products amounted to EUR 9.9 billion, down -2.0% compared to the end of 2020. Investments in Branch 21 life insurance guaranteed products decreased due to the low interest rates environment; that drop was partially offset by an increase in Branch 23 and Branch 44 products.

Total loans to RC customers rose strongly to EUR 57.3 billion at the end of June 2021. The increase occurred mainly in mortgage loans (+3.4% vs end of 2020) and business loans (+3.2% vs end of 2020). Mortgage loans, which account for almost 70% of all loans, amounted to EUR 39.3 billion at the end of June 2021, while consumer loans and business loans stood at EUR 1.7 billion and EUR 15.8 billion respectively.

New long-term loans granted to retail and commercial clients during 1H 2021 amounted to EUR 6.7 billion compared to EUR 5.4 billion in 1H 2020. In 1H 2021, the new production of mortgage loans increased from EUR 2.9 billion in 1H 2020 to EUR 3.8 billion. During the same period, EUR 2.5 billion in new long-term business loans were granted, up 16.4% compared to 1H 2020.

The total insurance production from customers in the Retail and Commercial segment amounted to EUR 1,296 million in 1H 2021, compared with EUR 1,196 million in 1H 2020, an increase of 8%.

Life insurance production stood at EUR 890 million in 1H 2021, up by 10% compared to 1H 2020. Unit-linked (Branch 23) production increased (+16%) thanks to favourable stock markets in combination with commercial actions. Traditional Life (Branch 21/26) production decreased (-4%) because of low guaranteed rates.

Non-Life insurance production in 1H 2021 stood at EUR 406 million, up 5% compared to 1H 2020, boosted by the bank distribution channel (+11.3%) and DVV-Insurance (+4.0%). The premium collection at Corona Direct Insurance, Belfius' direct insurer, amounts to more than EUR 34 million, up 1% compared to 1H 2020.

The mortgage loan cross-sell ratio for credit balance insurance stood at 130% at the end of 1H 2021. The slightly lower cross-sell, a decrease of 4% compared to 1H2020, is mainly due to a switch of production towards more Singles and Private clients. The mortgage loan cross-sell ratio for property insurance also slightly decreased to 84%.

Total insurance reserves, in the Retail and Commercial segment, amounted to EUR 13.1 billion. Life insurance reserves decreased slightly (-2.7%) since end 2020 to EUR 12.0 billion at the end of June 2021. Unit-linked reserves (Branch 23) increased by 9.7%, while traditional guaranteed life reserves (Life Branch 21/26) decreased by -8.2%, demonstrating the life product mix transformation from guaranteed products to unit-linked products. Non-life reserves increased (+7.9%) to EUR 1.1 billion.

RC total net income amounted to EUR 282 million in 1H2021.

Public and Corporate (PC)

PC business description

Belfius offers services to the Belgian public and social sectors (including hospitals, schools, universities and retirement homes). It provides these clients with a wide and integrated range of products and services, including credit lending, treasury management, insurance products, financial markets products and financial IT tools.

Belfius' corporate banking activities are focused on large- and medium-sized corporates which have a decision-making centre in Belgium as well as corporates offering services to the public sector.

Belfius Insurance also sells insurance products to its public and social sector customers. Specific life insurance solutions are offered, especially pension insurance in the first and second pension pillars for civil servants and investment products.

PC commercial performance in 1H 2021

On 30 June 2021, total savings and investments of PC customers stood at EUR 41.3 billion, a decrease of 1.9% compared with the end of 2020. On-balance sheet deposits decreased by EUR 0.2 billion (-0.5%), to EUR 26.7 billion. The off-balance sheet investments also dropped slightly to EUR 14.2 billion, mostly due to lower volumes in Treasury bills of Corporate and Public & Social sector clients.

Total loans to PC increased by EUR 0.5 billion (+1.2%) to EUR 42.3 billion. Outstanding loans in Public and Social banking decreased by 2.2%. The Corporate outstanding loans recorded a growth of 6.0% compared to year-end 2020. The total off-balance sheet commitments increased by EUR 0.9 billion to reach EUR 23.2 billion.

Belfius granted EUR 3.8 billion of new long-term loans to corporate customers and the public sector in 1H 2021.

Long-term loan production for corporate customers reached the same high level as 1H 2020: EUR 2.7 billion. This very good result was not only the continuation of our growth ambition in this corporate segment but also the testimony that Belfius intends to be "Meaningful" for the Belgian Society by (also) supporting the corporate sector in the Covid-19 crisis context.

Moreover, Belfius granted EUR 1.1 billion in new long-term funding to the public sector. The bank is and remains undisputable market leader and responds to every loan request tender from public sector entities. Belfius services the management of the treasury of practically all local authorities.

Belfius also established its position as leader in Debt Capital Markets (DCM) for (semi-)Public and Corporate customers by offering diversified financing solutions. During 1H 2021, the bank has placed a total funding amount of EUR 4.6 billion short term and EUR 1.5 billion long term notes (allocated amount). This further increase in comparison to 2020 confirms the position of Belfius as leader in bond issues for Belgian corporate and public sector clients.

With regard to insurance activities, total gross written premiums in the Public and Corporate segment amounted to EUR 183 million in 1H 2021.

- gross written premiums in the life segment amounted to EUR 128 million in 1H 2021, a decrease of 5.0% compared to 1H 2020. This is merely a timing impact due to single premiums paid in another month or as monthly premiums;

- gross written premiums in the non-life segment amounted to EUR 55 million in 1H 2021, a decrease of EUR 3 million or -5.2% compared to 1H 2020. As a reminder, this decrease reflects the decision of Belfius Insurance (since 2Q 2018) to focus its non-life insurance business on the segment of social sector through direct distribution and to put in run-off the non-life activities towards other institutional and corporate customers through the brokerage and bank channel. This decision enabled to reallocate freed-up resources to its strong development in non-life insurance business with SME customers through its own (bank and DVV) distribution channels.

The PC total net income amounts to EUR 194 million in 1H2021.

Group Center (GC)

Group Center operates through two sub-segments.

(a) Run-off portfolios which are mainly comprised of:

- a portfolio of bonds issued by international issuers, especially active in the public and regulated utilities sector (which includes the UK inflation-linked bonds), covered bonds and ABS/RMBS, the so-called ALM Yield bond portfolio;
- a portfolio of credit guarantees, comprising credit default swaps and financial guarantees written on underlying bonds issued by international issuers, and partially hedged by Belfius with monoline insurers (mostly Assured Guaranty); and
- a portfolio of derivatives with Dexia entities as counterparty and with other foreign counterparties.

(b) ALM liquidity and rate management and other group Center activities, composed of liquidity and rate management of Belfius (including its ALM Liquidity bond portfolio, derivatives used for ALM management and the management of central assets) and other activities not allocated to commercial activities, such as corporate and financial market support services (e.g., Treasury), the management of two former specific loan files inherited from the Dexia era (loans to *Gemeentelijke Holding/Holding Communal* and Arco entities) and the Group Center of Belfius Insurance.

These portfolios and activities are further described below.

Bond Portfolio

ALM Liquidity bond portfolio

The ALM Liquidity bond portfolio is part of Belfius Bank's total LCR liquidity buffer and is well diversified with high credit and liquidity quality.

At the end of June 2021, the ALM Liquidity bond portfolio stood at EUR 7.5 billion⁽⁵⁾, unchanged to year-end 2020. At the end of June 2021, the portfolio was composed of sovereign and public sector bonds (66%), covered bonds (28%), corporate bonds (5%) and asset-backed securities (1%). Belgian and Italian government bonds in the ALM Liquidity bond portfolio both amounted to EUR 1.5 billion⁽⁵⁾ and EUR 0.9 billion⁽⁵⁾ respectively.

⁽⁵⁾ Nominal amount

At the end of June 2021, the ALM Liquidity bond portfolio had an average life of 7.2 years, and an average rating of A- (100% of the portfolio being investment grade), the same as year-end 2020.

ALM Yield bond portfolio

The ALM Yield bond portfolio of Belfius Bank was used to manage excess liquidity (after optimal commercial use in the business lines) and consisted mainly of high-quality bonds from international issuers.

At the end of June 2021, the ALM Yield bond portfolio stood at EUR 3.5 billion⁽⁶⁾, up EUR 0.1 billion compared to year-end 2020. At the end of June 2021, the portfolio was composed of corporates (73%), sovereign and public sector (12%), asset-backed securities (10%) and financial institutions (6%). Almost 85% of corporate bonds, composed mainly of long-term inflation linked bonds, are issued by highly regulated UK hospitals, infrastructure companies and utilities such as water and electricity distribution companies. These bonds are of satisfactory credit quality and the majority of these bonds are covered by credit protection from a credit insurer (monoline insurer) that is independent from the bond issuer.

At the end of June 2021, the ALM Yield bond portfolio had an average life of 18.9 years. The average rating of the ALM Yield bond portfolio stood at A. 97% of the portfolio was investment grade.

Derivatives portfolio

Derivatives with Dexia entities and foreign counterparties

During the period it was part of the Dexia Group, formerly Dexia Bank Belgium SA/NV ("**Dexia Bank Belgium**") (now Belfius Bank), it was Dexia Group's "competence centre" for derivatives (mainly interest rate swaps): this meant that all Dexia entities were able to cover their market risks with derivatives with Dexia Bank Belgium, mainly under standard contractual terms related to cash collateral. The former Dexia Bank Belgium systematically reheded these derivative positions externally, as a result of which these derivatives broadly appear twice in Belfius' accounts: once in relation to Dexia entities and once for hedging.

The total outstanding amount of derivatives with Dexia entities and interest rate derivatives with international counterparties amounted to EUR 10.9 billion⁽⁶⁾ at the end of June 2021, down EUR 1.3 billion compared to year-end 2020.

Derivatives with Dexia entities decreased by EUR 1.2 billion to EUR 8.6 billion at the end of June 2021. This decrease is mainly due to amortisations and novations. Derivatives with international counterparties decreased by EUR 0.1 billion to EUR 2.3 billion at the end of June 2021.

The fair value of Dexia and international counterparty derivatives amounted to EUR 2.3 billion at the end of June 2021. After collateralisation, the Exposure at Default ("**EAD**") amounted to EUR 1.2 billion.

At the end of June 2021, the average rating of the total portfolio stood at BBB and the average residual life of the portfolio stood at 12.2 years⁽⁷⁾.

Credit guarantees

⁽⁶⁾ Nominal amount

⁽⁷⁾ Calculated on EAD

At the end of June 2021, the credit guarantees portfolio amounted to EUR 2.9 billion⁽⁶⁾ down EUR 0.3 billion compared to December 2020. It essentially relates to Financial Guarantees, and Credit Default Swaps issued on corporate/public issuer bonds (88%) and ABS (12%). The good credit quality of the underlying reference bond portfolio, additional protection against credit risk incorporated in the bond itself and the protections purchased by Belfius, mainly from various monoline insurers (US reinsurance companies, essentially Assured Guaranty) resulted in a portfolio that is 97% investment grade in terms of credit risk profile. This portfolio also contains Total Return Swaps for an amount of EUR 0.4 billion⁽⁸⁾.

At the end of June 2021, the average rating of the portfolio stood at BBB+ (compared to A- at year-end 2020). The average residual life of the portfolio stood at 9.4 years.

Other Group Center activities

The other activities allocated to Group Center include:

- the interest rate and liquidity transformation activity performed within ALM, after internal transfer pricing with commercial business lines, including the use of derivatives for global ALM management;
- the management of two legacy loan files inherited from the Dexia era, i.e. the investment loans to two groups in liquidation, namely Gemeentelijke Holding/Holding Communal and some Arco entities;
- the flow management, including hedge management, of internal and external interest rate derivative flows given that Group Center is the Belfius Competence Centre for interest rate derivatives;
- treasury activities (money market activities); and
- the results including revenue and costs on assets and liabilities not allocated to a specific business line.

The Group Center of Belfius Insurance is also fully allocated to these other Group Center activities. The Belfius Insurance Group Center contains income from assets not allocated to a specific business line, the cost of Belfius Insurance's subordinated debt, the results of certain of its subsidiaries and costs that are not allocated to a specific business line.

GC adjusted net income amounts to EUR 26 million in June 2021.

Impact of the floods

The floods that took place in Belgium in July 2021 are non-adjusting subsequent events and therefore fall outside the scope of these half-yearly results, however these events will impact the FY 2021 non-life results. Although Belfius cannot take away the human suffering, it considers it to be its utmost duty to take all actions to alleviate the material damages for its insured customers. As such, Belfius has considerably reinforced its claims-handling team, that has been operating seven days a week and that has deployed mobile teams onsite. In addition, specific measures have been taken to accelerate the claims handling (greater autonomy for claims experts and picture-based settlements) while advances are provided swiftly in case of major insured damage.

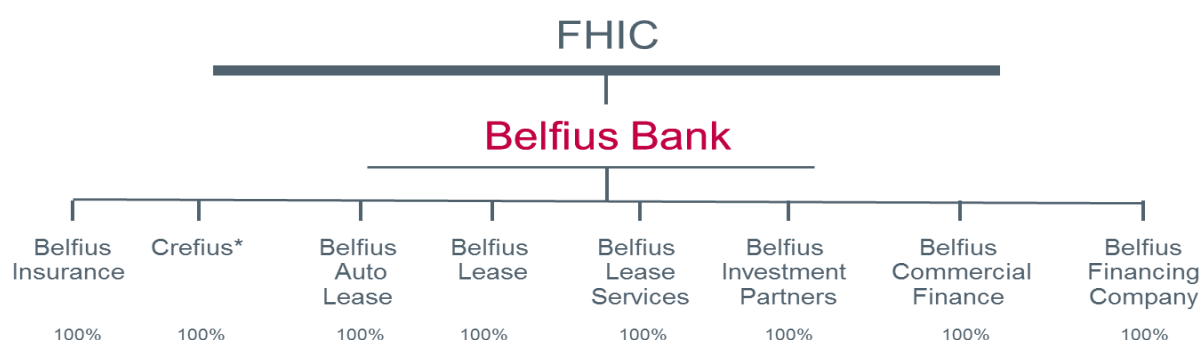
⁽⁸⁾ Nominal amount

Although it is too early to provide detailed and precise figures for the financial impact of these floods, Belfius has made a preliminary analysis indicating that the total gross claim cost, as of date of this report, could be in the region of EUR 100 million, based on current indications of the number of claims and the average cost per claim, the latter being compared with the statistics collected by the professional organization of Belgian insurers.

Please note that Belfius' reinsurance program is set up in line with Belfius' disciplined financial and risk management policies. Taking into account this reinsurance program, as of date of this report and based upon above mentioned estimate, the financial impact on Belfius of all natural catastrophes that took place since the beginning of the year 2021 till date is estimated at approximately EUR 35 million (before tax). Furthermore, an additional assessment is currently being performed on the potential impact on "impairments on financial instruments and provisions for credit commitments on the loan portfolio" for both mortgages and professional loans linked to these floods, nevertheless, a preliminary analysis indicates that the impacts should not be significant.

2.7 Capital or equivalent	
2.7.1. Amount of capital subscribed and fully paid	As at the date of the Information Memorandum, Belfius' issued capital amounts to EUR 3,458,066,227.41 represented by 359,412,616 registered shares with no face value, each representing 1/359,412,616 th fraction of the share capital.
2.7.2. Fraction of issued capital not fully paid-up	As at the date of this Information Memorandum, all the issued shares of the Issuer are fully paid.
2.8 List of main shareholders (optional)	359,407,616 registered shares are held by the public limited liability company of public interest Federal Holding and Investment Company (" FHIC ") in its own name but on behalf of the Belgian State and 5,000 registered shares are held by the public limited liability company Certi-Fed. Certi-Fed is a fully-owned subsidiary of FHIC.

Simplified Group structure (as at the date of the Information Memorandum)



** Crefius is involved in granting and managing mortgages loans*

2.9 Listing of the shares of the Issuer	Belfius Bank's shares are not listed.
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2.10 Composition of governing bodies and supervisory bodies

Composition of the Management Board and the Board of Directors

A. Management Board

The Management Board currently has five members who have all acquired experience in the banking and financial sector. The members of the Management Board form a college.

The Management Board consists of the following five members:

Name	Position	Significant functions outside Belfius Bank	other performed
Marc Raisière	Chairman	none	
Marianne Collin.....	Member	none	
Dirk Gyselinck.....	Member	none	
Olivier Onclin.....	Member	none	
Johan Vankelecom	Member	none	

A Group Committee was also established from 1 January 2019 onwards. This Committee is made up of the five members of the Management Board of Belfius Bank and the chairman of the Management Board and the CFO of Belfius Insurance. The Group Committee deals with various group strategic matters and important issues for a bank insurance group. Within the Management Board of Belfius Bank, the financial conglomerate dimensions receive a focused attention. To this end the agenda of the Management Board includes since 2020, at this least on a quarterly basis, a Group Financial Conglomerate Review (GFCR). This GFCR aims at contributing to enable an optimal integration across the Belfius Group.

The above members of the Management Board have their business address at 1210 Brussels, Place Charles Rogier 11, Belgium.

The Management Board is responsible for the effective management of Belfius Bank, directing and coordinating the activities of the various business lines and support departments within the framework of the objectives and general policy set by the Board of Directors. These powers do not include determining Belfius Bank's overall policy, nor actions reserved for the Board of Directors by the other provisions in the Belgian Companies and Associations Code or by the Banking Law.

The Management Board ensures that Belfius Bank's business activities are in line with the strategy, risk management and general policy set by the Board of Directors. It passes on relevant information to the Board of Directors to enable it to take informed decisions. It formulates proposals and recommendations to the Board of Directors with a view to define or improve Belfius Bank's general policy and strategy.

The members of the Management Board form a collegial body. They are required to carry out their duties in complete objectivity and independence.

Under the supervision of the Board of Directors, the Management Board takes the necessary measures, including supervisory measures, to ensure that Belfius Bank has a robust and sustainable organisation structure suited to Belfius Bank's organisation in order to guarantee the effective and prudent management of Belfius Bank in accordance with the Banking Law.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the Management Board and their private interests and other duties.

B. Board of Directors

The Board of Directors defines and supervises the strategy and objectives of the bank as well as the risk management, including the level of risk appetite, on proposal or recommendation of the Management Board.

In the context of this responsibility, the Board of Directors is actively involved in general policy, in particular with regard to supervision of the risk policy, organisation and financial stability of the bank and its governance, including the definition of the bank's objectives and values. As Belfius Bank is head of the Belfius Financial Conglomerate, the Board of Directors is also responsible for the general policy, risk appetite and strategy of the Belfius group and the compliance of the subsidiaries herewith.

The Board of Directors approves the bank's governance memorandum.

Pursuant to the articles of association of Belfius Bank, the Board of Directors of Belfius Bank is composed of a minimum of ten members appointed for maximum terms of four years. The table below sets forth the names of the Directors, their position within Belfius Bank and the other significant functions they perform outside Belfius Bank.

The business address for the members of the Board of Directors is 1210 Brussels, Place Charles Rogier 11, Belgium.

As from 28 April 2021, the Board of Directors consists of sixteen members, five of whom sit on the Management Board.

The appointment of two new independent directors, Mr. Bruno Brusselmans and Mr. Peter Hinssen have been submitted to and accepted by the Ordinary General Meeting of Shareholders of 2021.

Mr. Jozef Clijsters and Mr. Jean-Pierre Delwart resigned as Independent Director and chairman of the Board of Directors and Independent Director respectively on 28 April 2021 following the Ordinary General Meeting of Shareholders of 2021. Mr. Chris Sunt was appointed as Chairman of the Board of Directors from 28 April 2021 following the Ordinary General Meeting of Shareholders of 2021 in replacement of Mr. Jozef Clijsters.

The Board of Directors, which is made up of professionals from a variety of industries, including the financial sector, has the expertise and experience required associated with Belfius Bank's various operating businesses.

Name	Position	Significant other functions performed outside Belfius Bank
Chris Sunt	Chairman of the Board of Directors of Belfius Bank	
	Independent Director	none
Marc Raisière	Chairman of the Management Board	none
Marianne Collin.....	Member of the Management Board	
	Chief Risk Officer Responsible for Risk Management and Compliance	none

Dirk Gyselinck.....	Member of the Management Board Responsible for Wealth, Enterprises & Public	none
Olivier Onclin.....	Member of the Management Board Responsible for Private Business & Retail Banking	none
Johan Vankelecom	Member of the Management Board Chief Financial Officer, Responsible for Capital Management, Financial Conglomerate Steering and Investor Relations, ALM, Legal & Tax, Accounting, Strategic Planning and Performance Management (SPPM), Strategic Research & Belfius' Asset Management	none
Paul Bodart.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies and non-profit organisations
Bruno Brusselmans.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Chief Information Officer at Luminus-EDF Group
Martine De Rouck	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies
Carine Doutrelepon.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Lawyer and full Professor at the Université Libre de Bruxelles (ULB)
Peter Hinssen.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies
Georges Hübner	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor at HEC Liège - University of Liège
Isabel Neumann.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Non-Executive Director at King's college London University Chief Investment officer at Shurgard
Diane Zygas-Rosen.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Independent Director at Belgian Red Cross

Lutgart Van Den Berghe...	Member of the Board of Directors of Belfius Bank (Independent Director)	Emeritus extraordinary Professor at the University of Ghent (UG) and emeritus part-time Professor at the Vlerick Business School
Rudi Vander Vennet.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor in Financial Economics and Banking at the University of Ghent (UG) and lecturer Banking and Insurance at Solvay Business School (ULB)

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the Board of Directors and their private interests and other duties.

Advisory committees set up by the Board of Directors

The Board of Directors of Belfius Bank established various advisory committees to assist in its task, i.e. a Nomination Committee, a Remuneration Committee, an Audit Committee and a Risk Committee. These committees are exclusively composed of Non-Executive Directors. In line with the EBA guidelines, the majority of the members of the advisory committees are independent directors. These directors are members of a maximum of three of these advisory committees. A Mediation Committee and a Technology Committee have also been installed within the governance of the Belfius group.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of any of the following advisory committees and their private interests and other duties.

A. Nomination Committee

As of the date of this Base Prospectus, the Nomination Committee of Belfius Bank has the following membership:

Name	Position
Lutgart Van Den Berghe.....	Chairman – Director of Belfius Bank
Chris Sunt	Member – Chairman of the Board of Directors of Belfius Bank
Diane Zygas-Rosen	Member – Director of Belfius Bank

The members of the Nomination Committee have the required skills, on the basis of their education and professional experience, to give a competent and independent judgment on the composition and operation of Belfius Bank's management bodies, in particular on the individual and collective skills of their members and their integrity, reputation, independence of spirit and availability.

The Nomination Committee:

- identifies and recommends, for approval of the Shareholders Meeting or of the Board of Directors as the case may be, suitable candidates to fill in vacancies on the Board of Directors, evaluates the balance of knowledge, skills, diversity and experience within the Board of Directors, prepares a description of the roles and capabilities for a particular appointment and assesses the expected time commitment; the Nomination Committee also sets the target for the representation of the underrepresented gender within the Board of Directors and prepares a policy on how to increase the number of underrepresented gender in order to meet that target;

- periodically, and at least annually, assesses the structure, size, composition and performance of the Board of Directors and makes recommendations to it with regard to any changes;
- periodically, assesses the knowledge, skills, experience, degree of involvement and in particular the attendance of members of the Board of Directors and advisory committees, both individually and collectively, and reports to the Board of Directors accordingly;
- periodically reviews the policies of the Board of Directors for selection and appointment of members of the Management Board, and makes recommendations to the Board of Directors;
- prepares proposals for the appointment or mandate renewal as the case may be of directors, members of the Management Board, the Chairman of the Board of Directors and the Chairman of the Management Board;
- assesses the capacity of a director or a candidate director to meet the criteria set forth for being considered as an independent director;
- examines issues related to the succession of directors and members of the Management Board;
- establishes a general and specific profile for directors and members of the Management Board;
- ensures the implementation of corporate governance rules;
- prepares proposals for amendments to the internal rules of the Board of Directors and the Management Board;
- assesses the governance memorandum and, if necessary, proposes amendments; and
- at least annually discusses and analyses the quantitative statement and qualitative analysis of communications regarding stress, burn-out and inappropriate behaviour at work and remediation actions.

In performing its duties, the Nomination Committee ensures that decision-taking within the Board of Directors is not dominated by a single individual or a small group of individuals, in a way which might be prejudicial to the interests of Belfius Bank as whole.

The Nomination Committee may use any type of resources that it considers to be appropriate to the performance of its task, including external advice, and receives appropriate funding to that end.

The Nomination Committee acts for Belfius Bank, Belfius Insurance, Corona and Belfius Investment Partners.

B. Remuneration Committee

As of the date of this Base Prospectus, the Remuneration Committee of Belfius Bank has the following membership:

Name	Position
Lutgart Van Den Berghe	Chairman – Director of Belfius Bank
Chris Sunt	Member – Chairman of the Board of Directors of Belfius Bank
Diane Zygas-Rosen	Member – Director of Belfius Bank

The members of the Remuneration Committee have the required skills, on the basis of their educational and professional experience, to give a competent and independent judgment on remuneration policies and practices and on the incentives created for managing risks, capital and liquidity of Belfius Bank.

In order to perform its tasks correctly, the Remuneration Committee interacts regularly with the Risk Committee and the Audit Committee.

The Risk Committee ensures that the Belfius group's risk management, capital requirements and liquidity position, as well as the probability and the spread in time of profit are correctly taken into consideration in decisions relating to remuneration policy.

The Audit Committee contributes to the establishment of objectives for the Auditor General and the Compliance Officer.

The Remuneration Committee prepares the decisions of the Board of Directors by inter alia:

- developing the remuneration policy, as well as making practical remuneration proposals for the chairman, the non-executive members of the Board of Directors and the members of the advisory committees under the Board of Directors. The Board of Directors submits these remuneration proposals to the General Meeting for approval.
- developing the remuneration policy as well as making practical proposals for the remuneration of the chairman of the Management Board and, on his proposal, for the remuneration of the members of the Management Board. The Board of Directors then determines the remuneration of the chairman and the members of the Management Board.
- providing advice on the proposals made by the chairman of the Management Board of Belfius Bank in relation to the severance remuneration for members of the Belfius Bank Management Board. On the proposal of the remuneration committee, the Board of Directors of Belfius Bank determines the severance remuneration of the chairman and members of the Belfius Bank Management Board.
- advising the Board of Directors in relation to the remuneration policy for employees whose activity has a material impact on the risk profile of the Belfius group (known as "Identified Staff") and in relation to the compliance of the allocation of remuneration to Identified Staff with regard to the remuneration policy put in place for such people.
- preparing the remuneration report approved by the Board of Directors and published in the annual report.
- periodically checking to ensure that the remuneration programmes are achieving their objective and are in line with applicable conditions.
- annually assessing the performance and objectives of the members of the Management Board.
- providing an opinion of the elaboration of a global "Risk Gateway" in consultation with the Risk Committee, containing various levers applied at various points in the performance management cycle with an impact on determination of the variable remuneration.

The Remuneration Committee exercises direct supervision over the determination of objectives and remuneration of the individuals responsible for the independent control functions (Chief Risk Officer, General Auditor & the Compliance Officer).

The Remuneration Committee acts for both Belfius Bank, Belfius Insurance, Corona and Belfius Investment Partners.

C. Audit Committee

As at the date of this Base Prospectus, the Audit Committee of Belfius Bank has the following membership:

Name	Position
Georges Hübner	Chairman Director of Belfius Bank
Paul Bodart.....	Member Director of Belfius Bank
Martine De Rouck.....	Member Director of Belfius Bank
Diane Zygas-Rosen.....	Member Director of Belfius Bank

The majority of the members of the audit committee are independent directors. Members of the audit committee have collective expertise in the field of banking, accountancy and auditing. At least one independent director of the audit committee is an expert in the field of accounting and/or audit.

The Audit Committee assists the Board of Directors in its task of carrying out prudential controls and exercising general supervision. The Audit Committee of Belfius Bank operates independently of the Audit Committee implemented at Belfius Insurance. However, the respective Audit Committees of Belfius Bank and Belfius Insurance held three joint meetings in 2020, in particular when the insurance company's annual financial statements for 2019 and the half-yearly financial statements at 30 June 2020 were presented.

D. Risk Committee

As at the date of this Base Prospectus, the Risk Committee has the following membership:

Name	Position
Rudi Vander Vennet.....	Chairman Director of Belfius Bank
Georges Hübner	Member Director of Belfius Bank
Martine De Rouck.....	Member Director of Belfius Bank

The members of the Risk Committee have the individual expertise and professional experience required to define the strategy regarding risk and the level of risk appetite of Belfius Bank.

The Risk Committee has advisory powers and responsibilities with regard to the Board of Directors in the following areas:

- appetite and strategy regarding Belfius Bank's current and future risks, more particularly the effectiveness of the risk management function and the governance structure to support them;
- monitoring implementation of risk appetite and strategy by the Management Board;
- allocating the risk appetite to various categories of risks and defining the extent and limits of risk in order to manage and restrict major risks;
- considering the risks run by Belfius Bank with its customer tariffs;
- assessing activities which expose Belfius Bank to real risks;
- supervising requirements in terms of capital and liquidity, the capital base and Belfius Bank's liquidity situation;
- the guarantee that risks are proportional to Belfius Bank's capital;
- formulating an opinion with regard to major transactions and new proposals for strategy activities that have a significant impact on Belfius Bank's risk appetite;
- obtaining information and analysing management reports as to the extent and nature of the risks faced by Belfius Bank; and
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Recovery Plan.

The Risk Committee of Belfius Bank operates independently of the Risk and Underwriting Committee of Belfius Insurance. At the request of the Chairman of Belfius Bank's committee, a joint Risk Committee of Belfius Bank and Belfius Insurance may be held. To promote sound remuneration policy and practices, subject to the tasks of the Nomination Committee and the Remuneration Committee, the Risk Committee examines whether incentives in the remuneration system properly take into consideration the institution's risk management, equity requirements and liquidity position, as well as the probability and distribution of profit over time.

The Risk Committee and the Audit Committee periodically exchange information, in particular concerning the quarterly risk report, the senior management report on the assessment of internal control and the risk analyses performed by the Legal, Compliance and Audit Departments. The aim of this exchange of information is to enable the two committees to perform their tasks properly and may take the form of a joint meeting.

E. Mediation Committee

A Mediation Committee has been established within the Belfius group.

As at the date of this Base Prospectus, the Mediation Committee has the following membership:

Chairman	Chris Sunt Chairman of the Board of Directors of Belfius Bank
Members	Martine De Rouck Member Independent Director of Belfius Bank Carine Doutrelepon Member Independent Director of Belfius Bank Jean-Michel Kupper

Member
Independent Director of Belfius Insurance
Cécile Coune
Member
Independent Director of Belfius Insurance

The Mediation Committee is responsible for passing opinions relating to material transactions or operations between, on the one hand, Belfius Bank and its subsidiaries and, on the other hand, Belfius Insurance and its subsidiaries, or between their respective subsidiaries, which may give rise to potential conflicts of interest. Such opinions are sent to the Board of Directors of the companies concerned, which will then take a definitive decision on the planned transaction or operation.

F. Technology Committee

A Technology Committee has been established within the Belfius group in May 2021.

As at the date of this Base Prospectus, the Technology Committee has the following membership:

Chairman	Paul Bodart Independent Director of Belfius Bank
Members.....	Bruno Brusselmans Member Independent Director of Belfius Bank
	Carine Doutrelepont Member Independent Director of Belfius Bank
	Peter Hinssen Member Independent Director of Belfius Bank
	Jean-Michel Kupper Member Independent Director of Belfius Insurance
	Isabel Neumann Member Independent Director of Belfius Bank
	Stijn Bijmens Member IT Counsel Belfius Bank

The tasks of the Technology Committee can be divided into three domains:

-The first domain relates to: Information Technology in the broad sense, including but not limited to cloud-and other platforms, IT security, software development; hereinafter called the 'IT' domain;

-The second domain relates to: Digital, impact on and transformation of the customer experience; hereinafter called the 'Digital' domain; and

-The third domain relates to data and artificial intelligence: hereinafter called the "Data domain".

Technology is understood to include, but not be limited to the IT, Digital and Data domains.

The Technology Committee has the responsibility to:

1. Advise the Board of Directors on, and prepare the decisions of the Board of Directors with respect to, technology strategy and material technology investment choices.

2. Monitor, evaluate and advise the Board of Directors on existing and future technology trends, regulation and competition / FinTech developments that may affect Belfius' strategic plans including the monitoring of overall industry trends and future trends concerning enterprise data management and the financial industry's use of data to maximize the customer experience value.

3. Assess, measure and advise the Board of Directors on Belfius' technological strategic milestones and transformational developments, such as customer experience, sales through digital channels and potential synergies with physical and other networks, potential partnerships.

4. Monitor and report to the Board of Directors on progress made with respect to the implementation of the technology decisions taken by the Board of Directors, including but not limited to, technology performance and security. This includes a.o. monitoring and challenging the status of the move for the cloud infrastructure (timing, pace, risk mitigation, hybrid models, talents), foundations and platforms.

5. Review and discuss reports from management on technology related activities, strategies and metrics, including enterprise data project performance, and report to the Board of Directors on same.

Responsibility for the oversight of risks associated with Technology, including risk assessment and risk management, shall remain with the Risk Committee and Audit Committee of the Board of Directors.

The following recurrent topics, inter alia, will be dealt with at the joint Risk and Audit Committee of Belfius Bank or at the Joint RUC and Audit Committee of Belfius Insurance:

-Quarterly report of IT risks, included Core Banking Renewal risks and Core Insurance renewal risks;

-Status IT security roadmap, including IT incidents;

-Digital security: incidents, IT part of the NFR – RAF;

-Audit missions regarding IT, Data & Digital risks.

The Technology Committee will receive the above-mentioned topics discussed at joint Risk and Audit Committee of Belfius Bank or at the Joint RUC and Audit Committee of Belfius Insurance for information purpose.

2.11 Accounting method (optional)	The consolidated financial statements of the Issuer have been prepared in accordance with IFRS.
2.12 Accounting Year (optional)	Starting on 1 January and ending on 31 December.
2.13 Fiscal Year (optional)	Starting on 1 January and ending on 31 December.
2.14 Other short term programmes of the Issuer	Not Applicable
2.15 Ratings of the Issuer	<p>As at the date of the Information Memorandum Belfius Bank SA/NV has the following ratings:</p> <p><u>1. Long-term:</u></p> <p>A- from Fitch (stable outlook)</p> <p>A from Standard & Poor's (stable outlook)</p> <p>A1 from Moody's (stable outlook).</p> <p><u>2. Short-term:</u></p> <p>F1 from Fitch</p> <p>A-1 from Standard & Poor's</p> <p>Prime-1 from Moody's.</p>
2.16 Additional information on the issuer of the programme	<p>The Issuer is not dependent on any of its subsidiaries, save for Belfius Insurance SA/NV. Belfius Insurance SA/NV holds the licenses required for insurance undertakings, and Belfius Bank consequently relies on it for the insurance activities carried out by it.</p> <p>There is no arrangement known to Belfius Bank, the operation of which may at a subsequent date result in a change of control of Belfius Bank.</p> <p>There are no recent events particular to Belfius Bank which are, to a material extent, relevant to the evaluation of its solvency.</p>

INFORMATION CONCERNING THE ISSUER'S REQUEST OF THE STEP LABEL

An application for a STEP label Programme has been made to the STEP Secretariat in relation to the Certificates eligible under the STEP Market Convention (Certificates A). Information as to whether the STEP label has meanwhile been granted for this Programme in relation to such Certificates may be available on the STEP market website (initially www.stepmarket.org). This website is not sponsored by the Issuer and the Issuer is not responsible for its content and availability.

Unless otherwise stated in this Information Memorandum, the expression "STEP", "STEP Market Convention", "STEP label", "STEP Secrétariat" and "STEP market website" shall have the meaning assigned to them in the Market Convention on Short-Term European Paper Dated 19 May 2015 and adopted by the Euribor ACI and European Money Markets Institute (as amended from time to time).

CERTIFICATION OF INFORMATION

3.1 Persons responsible for the Information Memorandum	Belfius Bank SA/NV, having its registered office at Belgium, 1210 Brussels, Place Charles Rogier 11 and registered with the Crossroads Bank for Enterprises under number 0403.201.185. represented by Mr. Dirk Gyselinck member of the Board of Management, duly authorized thereto by a power of attorney granted on January 12, 2022 by the Board of Management.
3.2 Declaration of the Persons responsible for the Information Memorandum	<p>The undersigned, acting as duly authorised officer of Belfius Bank (the Issuer) under this Global multi-currency Certificates of Deposit (certificats de dépôt/depositobewijzen) programme (the “Programme”), having made all reasonable enquiries confirm that, to the best of their knowledge and belief:</p> <p>The information contained in this document, namely the information memorandum, relating to the Programme including any annex and any supplements thereto (the “Information Memorandum”) contains all information with respect to itself and the Certificates of Deposit to be issued which is material in the context of the Programme;</p> <ul style="list-style-type: none"> • to our knowledge, the information contained in this document is true and accurate and does not contain any misrepresentation which would make it misleading. • the opinions and intentions expressed in the Information Memorandum and the supplements thereto are honestly held; and • there are no other facts the omission or occurrence of which would, in the context of the Programme and the issuance of Certificates of Deposit thereunder, make any of such information or the expression of any such opinions or intentions misleading. <p>In accordance with the terms of the Royal Decree of 14 October 1991 relating to <i>billets de trésorerie et certificats de dépôt / thesauriebewijzen en depositobewijzen</i>, as amended from time to time (the “Royal Decree”), the Issuer accepts responsibility for the information contained in the Information Memorandum and any future annex and supplement thereto, and acknowledges that it shall compensate any investor for the damage arising immediately and directly from the omission or falseness of information which Article 5 of the Law of 22 July 1991 relating to <i>billets de trésorerie et certificats de dépôt / thesauriebewijzen en depositobewijzen</i>, as amended from time to time, and Section II of Chapter II of the Royal Decree, require to be contained herein.</p>
3.3 Date, Place of Signature, Signature	February 18 , 2022 Brussels, Belgium

<p>3.4 Independent Auditors of the Issuer, who have audited the accounts of the Issuer's Annual Report</p>	<p>KPMG Reviseurs d'Entreprises SCRL Gateway building, Luchthaven Nationaal 1 K 1930 Zaventem Belgium</p> <p>This Information Memorandum should be read and construed in conjunction with the audited consolidated accounts of Belfius Bank for the years ended 31 December 2019 and 31 December 2020, including the reports of the statutory auditors in respect thereof which are incorporated by reference in this Information Memorandum. Such documents shall be incorporated in and form part of this Information Memorandum, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Information Memorandum 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 Information Memorandum.</p> <p>Copies of all documents incorporated by reference in this Information Memorandum may be obtained without charge from the offices of the Issuer.</p> <p>The tables below set out the relevant page references for:</p> <p>the (i) consolidated balance sheet, (ii) consolidated statement of income, (iii) consolidated cash flow statement, (iv) audit report on the consolidated accounts, (v) notes to the consolidated financial statements, (vi) non-consolidated balance sheet, (vii) non-consolidated statement of income and (viii) audit report on the non-consolidated accounts of Belfius Bank as set out in the 2019 and 2020 Annual Reports of Belfius Bank.</p> <p>Information contained in the documents incorporated by reference other than information listed in the table below does not form part of this Information Memorandum. The non-incorporated parts of such documents are not relevant for the investor or are covered elsewhere in this Information Memorandum.</p>
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Belfius Bank SA/NV		
	Annual Report 2019 (English Version)	Annual Report 2020 (English Version)
consolidated balance sheet	176	194
consolidated statement of income	178	196
consolidated cash flow statement	187	205
audit report on the consolidated accounts	326	344
notes to the consolidated financial statements	189	208
non-consolidated balance sheet	336	352
non-consolidated statement of income	339	355
audit report on the non-consolidated accounts	341	357
3.5 DISCLAIMER CLAUSES FOR DEALER(S), IPA(S) AND ARRANGER		
<p>The Issuer has confirmed to the Arranger and the Dealer(s) that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes this Information Memorandum as a whole or any information contained or incorporated by reference herein misleading.</p> <p>Each investor considering an investment under the Programme shall be deemed to have made its own independent investigation into the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and thus, making its decision to invest, shall not rely, and shall be deemed not to have relied upon any information or advice whatsoever, regarding the Issuer, provided by the Dealer and/or the Domiciliary Agent.</p> <p>No person is authorised by the Issuer, the Arranger or the Dealer(s) to give any information or to make any representation not contained in this Information Memorandum and any information or representation not contained at any time herein must not be relied upon as having been authorised.</p> <p>No representation or warranty or undertaking, whether express or implied, is made and no responsibility or liability is accepted about the authenticity, origin validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent agreement, document, material or presentation.</p> <p>Each investor considering an investment under the Programme shall be deemed to have made its own independent investigation into the financial condition and affairs and its own appraisal of the</p>		

creditworthiness of the Issuer and thus, making its decision to invest, shall not rely, and shall be deemed not to have relied upon any information or advice whatsoever, regarding the Issuer, provided by the Dealer(s) and/or the Domiciliary Agent.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum or change in such information coming to the Arranger's or Dealers' attention.

Neither the Arranger nor any Dealer accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer, invitation or solicitation to any person to purchase Certificates of Deposit.

The Domiciliary Agent will, in connection with its appointment or under the Certificates of Deposit, act solely for and upon the instructions of the Issuer and the Dealer(s) and will incur no liability for or in respect of any action (not) taken by it pursuant to the Law and/or the Royal Decree, nor will they have any obligations towards, or a relationship of agency or trust with any of the holders or beneficial owners of or interests in, Certificates of Deposit.

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A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSM Act**")) received in connection with the issue or sale of any Certificate of Deposit will only be made in circumstances in which Section 21(1) of the FSM Act does not apply to the Issuer.

RISK FACTORS

An investment in the Certificates involves a degree of risk. Prospective investors should carefully consider the risks set forth below and the other information contained in this Information Memorandum (including information incorporated by reference) before making any investment decision in respect of the Certificates. The risks described below are risks which the Issuer believes may have a material adverse effect on the Issuer's financial condition and the results of its operations, the value of the Certificates or the Issuer's ability to fulfil its obligations under the Certificates. 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 all or any of such contingencies occurring. Additional risk and uncertainties, including those of which the Issuer is not currently aware or deems immaterial, may also potentially have an adverse effect on the Issuer's business, results of operations, financial condition or future prospectus or may result in other events that could cause investors to lose all or part of their investment.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Certificates issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal known risks inherent in investing in Certificates issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Certificates may occur for other reasons which are not known to the Issuer or which the Issuer deems immaterial at this time. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.

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

1. Risks related to the business of banks in general, including Belfius Bank

COVID-19 and risk management

Since the World Health Organization ("**WHO**") declared the COVID-19 outbreak a public health emergency of international concern in January 2020, it has spread across the globe. Since the start of the pandemic, major concerns grew with respect to the impact of the pandemic. Even if the first half of 2021 saw a rebound of the Belgian and European economy, faster than initially expected, many uncertainties still remain in light of the emergence of new COVID-19 variants such as the Omicron, the difficulty for companies to attract new staff and the increasing supply chain bottlenecks combined with rising input costs in some sectors (wholesale, construction, manufacturing and agriculture sectors) and the relieve process of support measures. These elements further stress the fact that the crisis is not yet behind us leading Belfius to keep being prudent with respect to its risk management framework as presented in the subsequent sections.

Credit risk is one of the most impacted risks. The COVID-19 pandemic and the subsequent lockdown measures had a far-reaching impact on the financial situation of the Belgian economy for businesses as well as individuals. To help mitigate these impacts, Belfius Bank relied on actions taken internally together with decisions taken at both Belgian federal and ECB levels.

The disruption from the COVID-19 pandemic led to the adoption of extraordinary policy measures to support economies. The responses included monetary measures, fiscal stimulus and ad-hoc regulatory packages to support credit markets and banks' lending to households and corporates. In Belgium, measures providing liquidity support to the economy included a guarantee scheme (EUR 50 billion) made available for new credits and new lines of credit to viable non-financial businesses, viable independents and non-profit organisations, initially for a maximum of 1 year and in a second stage, 20% of the envelope of the guarantee scheme allocated to the relevant credit provider up to 3 years for loans to Small and Medium Enterprises (SMEs). In addition, there were moratoria to viable companies on loans and advances and to individuals on mortgage and consumer loans as well as payment of premiums on mortgage protection insurance, if they could prove COVID-19 related issues.

Monetary support from the ECB was also strong with many measures taken to keep liquidity flowing and give support to credit markets (Asset Purchase Program reinforcement, introduction of the Pandemic Emergency Purchase Program, easing TLTRO-3 conditions and additional TLTROs, ...).

Furthermore, Belfius Bank implemented on a timely manner **other own risk mitigation actions** such as transformation of mandates, requesting additional collaterals, enhanced work out strategy for defaulted loans and closer focus on the distressed loans (watch list).

The credit risk management team adapted to the new situation and set up several operational processes to manage COVID-19 impacts, including the set-up and roll-out of a portfolio screening process, organised in waves, and aiming at the identification of vulnerable sectors/counterparties as a complementary approach to the IFRS 9 mechanical expected credit losses calculations (= COVID-19 overlays). There was also close cooperation with Business & Corporate bankers to define a priority list of credit reviews and to assess customers' vulnerability and implement risk mitigation action plans (line reductions, additional collateral, etc). The integration of COVID-19 impacts IFRS 9 impairment models: revision of macro-economic factors and scenarios based on a long-term average for all the relevant macroeconomic factors with a backward and a forward looking part, revision of the scenario weights, definition of COVID-19 overlays, inclusion of ECB/EBA relief measures. In addition, a refined definition of analyst guidance for rating assignment to ensure a uniform approach when integrating COVID-19 impacts and sensitivities in the (re-)rating process was put in place. An enhanced watch of the regulatory risk management texts and guidance related to the effects of the COVID-19-crisis was installed. Development of new detection and early warning tools (amongst others transactional data to better capture the ongoing evolution) as well as the creation of a detailed Credit Risk Dashboard (rating evolutions, use of credit lines, use of COVID-19 loans, payment arrears, watchlist, defaults, ...) were set-up and frequently used ensuring a regular reporting to the Management Board and Board of Directors. These measures led to a strong and as accurate as possible cost of risk approach taking into account the specific nature of the crisis with sufficient forward-looking elements and portfolio granularity to avoid severe cost of risk impacts in the coming years and at the same time, to avoid excessive pro-cyclicality.

Finally, and as translated in an update of the Risk Appetite Framework ("**RAF**"), Belfius Bank is also accounting for ECB Relaxation with respect to capital requirements. By adding more granularity into the RAF CET 1 indicator, Belfius Bank does not alter its intrinsic appetite to risk but rather allows for a more granular follow-up. In order to facilitate the support to the real economy, prudential authorities

have reduced capital requirements and taken additional relaxation measures – among others, authorization to operate below the Pillar 2 Guidance and combined buffer requirement until at least end of 2022 and below the Liquidity Coverage Ratio ("LCR") until at least end of 2021, flexibility in implementation of bank specific supervisory measures (rescheduling on-site inspections, extending deadlines for remediation actions, ...).

In view of the current economic environment, credit risks have increased substantially. Increased risk profiles and non-performing loans assessment will translate in a higher cost of risk and are putting downward pressure on Solvency and bottom-line Profit-and-Loss ("P&L"). It is important to highlight the still very material uncertainties in view of the unprecedented impact and nature of this crisis. The cost of risk approach follows a waterfall principle that is described further in this section. A granular risk assessment lead to quantify a layer of provisions sufficient to face the coming crisis in 2020. These ex-ante provisions together with a close continuous monitoring of the credit risk evolution are quarterly analysed to identify room for releases and refine the remaining pockets of risks.

The coverage ratio (the part secured by collateral) was still a high 60.0% at year-end 2020 and 58.2% at end of June 2021.

In terms of **market risk**, the impact is quite material as the COVID-19 pandemic has triggered a chain of events in the markets that has led to a massive sell-off across asset classes and a sharp increase in volatility affecting amongst others stock markets, credit spreads, interest rates and oil prices. Whereas markets have almost completely recovered, there remains a risk of large market moves that could adversely affect the financial instruments value, including those measured at fair value through P&L. In the case of Belfius Bank, the most important factor remains the counterparty credit risk at Belfius Bank as this can mostly only be proxy hedged.⁹ The rest of the impact arises from market movements in interest rates and other equity instruments.¹⁰ The market risks teams reacted promptly to the COVID-19 crisis by developing new detection and monitoring tools and by taking actions to protect the P&L and solvency. The actions taken throughout 2020 led to the implementation of new limits to align with the Management Board's risk appetite, significant improvement of sensitivity analysis (including cross-effects) and a proposal for new hedges. In this context, existing hedges in place since 1H 2020 on CVA/FVA perform well, keeping the PnL volatility to a minimum. These have been formalized by new limits on credit spreads, making this a structural hedge. Only a limited number of non-hedgeable risks remain like bond-CDS basis and own funding spread.

⁹ Credit risk at Belfius Bank arises from many transactions with corporate or public entities or projects. No liquid credit protection market exists for most of those counterparties. This means that no Credit Default Swaps ("CDS") referencing Belfius Bank's counterparties can be bought (or at least not at a reasonable price) to reduce its exposures to those. Therefore, Belfius Bank has to turn to alternative hedges if it wants to reduce its credit exposures. Alternatives are mostly CDS indices (referencing a panel of names) or proxy CDS (referencing similar names). Both are grouped under what Belfius Bank calls proxy hedging. The hypothesis behind proxy hedging is that Belfius Bank's exposure is highly correlated with the indices or the proxies. This is particularly true in credit market as there is a high systemic component. However, idiosyncratic movements (purely related to Belfius Bank's single name) may not be covered. Worst, a default on Belfius Bank's exposure will not systematically be linked to a cash flow from our credit protection hedges. Proxy hedging has therefore the purpose of reducing the P&L volatility but may not cover all the economic risk.

¹⁰ Net income from financial instruments measured at value through profit or loss decreased to EUR 24.1 million at the end of 2020 (compared to EUR 96.1 million at the end of 2019) following the negative impact of the COVID-19 outbreak on credit spreads as well as equity markets.

In 2019, the operational risk management framework has been extended to "**Non-Financial Risk**". The term Non-Financial Risk ("**NFR**") must be understood as a broad umbrella covering all risks except "financial risks". The NFR management is growing in importance given evolutions of risks and threats (VUCA world¹¹) combined with an ambitious business strategy. Some examples of this evolving environment are an increase of IT security concerns everywhere in the world (including because of an increase in home-working in light of the COVID-19 crisis); swift changes in public opinion and regulatory scrutiny about AML and fiscal fraud requiring strong management practices; statistics on external frauds in Belgian banks showing a strong increase in number and amounts. The NFR management is growing in importance given evolutions of risks and threats combined with an ambitious business strategy and the COVID-19 outburst. Belfius strictly applied all governments' directives in order to protect the health of its collaborators and clients, inter alia, by distributing shift protection means and by enabling social distancing in all premises. On its own initiatives and beyond the official directives, additional measures were also taken, such as quarantine for collaborators that went skiing in Italy or Austria in March 2020, global instructions about internal meetings, trainings, business trips or external visitors, the split of almost all staff into two teams (A/B) which could come alternatively on a bi-weekly basis, the installation of thermal cameras at the entrance of the main building, the compulsory wearing of a mouth mask, the limitation of the building capacity to maximal 30%, the implementation of approval and reservation processes for those coming on site, and so on. Further, telework became the absolute standard work organisation in 2020. Belfius had proactively and largely in advance increased the telework capacity and provided those who had no experience with teleworking (e.g. collaborators of branches) with the necessary equipment. As a result, more than 95% of all collaborators worked exclusively from home during these periods of lock-down. In order to guarantee the continuity of the operations, critical activities were closely monitored in order to identify and resolve potential (staff) issues well in advance. As telework was the new organisational standard, a specific business continuity plan was also developed and tested in July 2020 in the case of a major failure of telework so that staff members performing critical activities at home are able to return to the buildings and to restart their activities within 2 hours whilst avoiding any unnecessary contamination risk. Also in 2021, Belfius has demonstrated its operational resilience and successful crisis management, still focused on the following key objectives: (i) protecting the health and safety of its collaborators and clients; (ii) guaranteeing the continuity of its activities and services to the clients; (iii) communicating pro-actively and openly to all stakeholders; and (iv) assuming the responsibilities to be meaningful and inspiring for Belgian society. Belfius has strictly applied all governments' directives. Telework remained the absolute standard work organization in the first semester of 2021. More than 95% of all collaborators continued to work exclusively from home, as long as telework was compulsory. Finally, when the government announced the possible softening of its restrictions, a scenario was prepared to enable a safe and voluntary return to the offices, to be rolled out over the coming months.

¹¹ VUCA (volatility, uncertainty, complexity and ambiguity) world shows the unpredictable nature of the world at stake, e.g. taking into account the current situation with the COVID-19 outbreak. The deeper meaning of each element of VUCA serves to enhance the strategic significance of VUCA foresight and insight as well as the behaviour of groups and individuals in organisations. It discusses systemic failures and behavioural failures, which are characteristic of organisational failure.

Regarding the crisis management and business continuity, **Belfius Insurance** was fully included in the entire Belfius Group exercise. During the first semester of 2020, after concerns for employees and the business continuity have first been addressed, the business impacts have been tackled. As anticipated, the claims turned out to be very moderate in Life and Health thanks to the typology of our policyholders which are proportionally much less vulnerable to the virus (e.g. because of the age group to which they belong). In Non-Life, the contractual conditions preserved the company against massive losses in business interruption and the economic slowdown which followed the lock-down even led to a loss experience below the normal on branches such as motor and workers' compensation (e.g. because people were less mobile in light of restrictions because of the COVID-19 crisis, but they were still required to pay their premia on their contracts). The effect of the crisis on production (i.e., the issuance of new contracts) was more noticeable, but it returned to better fortune as the de-containment progressed and the production bounced back to levels close to normal, except in Life. Finally, the most important effect at short term for Belfius Insurance comes from the financial markets causing huge volatility of the Solvency II ratio requiring close monitoring and management actions. All along the year, considering the deep uncertainty, the priority at Belfius Insurance was to protect the solvency and the P&L of the company. Hence, actions have been taken proportionate to the risk bearing capacity (Derisking of the balance sheet, duration gap management and capital management). At the end of 2020, Belfius Insurance continues to rank amongst the best capitalised Belgian Insurers with a SII ratio of 200% (197% for H2). Moreover, all along the year, specific monitoring and stress tests were regularly performed to assess the Belfius Insurance' resilience. Results were positive and did not require additional actions. The latest "COVID-19" stress tests assessing the sustainability of the Belfius Insurance financial plan 21-25 (forward-looking view) concluded that the risk exposure is commensurate to the risk appetite of the company.

The risks linked to the COVID-19 outbreak (**Global criticality: High**) can have an influence on the risks described hereafter.

Credit Risk

Credit risks are inherent to a wide range of Belfius Bank's businesses. These include risks arising from changes in the credit quality of counterparties as well as the inability to recover amounts due from counterparties. This means that Belfius Bank is exposed to the risk that third parties (such as retail individuals, SME's, corporates, trading counterparties, counterparties under credit default swaps, interest rate swaps and other derivative contracts, borrowers, issuers of securities which Belfius Bank holds, customers, clearing agents and clearing houses, exchanges, guarantors, (re)insurers and other financial intermediaries) owing Belfius Bank money, securities or other assets do not pay, deliver or perform under their obligations. Bankruptcy, lack of liquidity, downturns in the economy, real estate collateral value drops, operational failures or other factors may cause them to default on their obligations towards Belfius Bank.

In order to cover the **unexpected credit losses**, Belfius Bank applies the Advanced Internal Rating-Based approach ("**AIRB**") to derive its minimum own funds requirement. It consists of using three distinct internal models developed and maintained within Belfius Bank following the prescribed regulation (Regulation (EU) No 575/2013 and other EBA RTS) by asset class: a Probability of Default

("PD"), a Loss-Given default ("LGD") and a Credit Conversion Factor ("CCF")¹² for every facility (note that the PD is by definition derived at client level). In order not to lead to a too volatile capital buffer along the economic cycle, the above-mentioned risk metrics are estimated across the cycle in downturn version (Through-The-Cycle estimates).

In order to cover **the expected credit losses ("ECL")**, Belfius Bank applies a provisioning methodology relying on **IFRS 9**. Set of PD, LGD and CCF models are also used to estimate the provisions to estimate the one-year and the Lifetime Expected Credit Losses for all facilities. The one-year horizon ECL is used for clients for which the bank does not perceive a material increase of credit risk since credit origination. For this latter population, a Lifetime ECL is calculated. Unlike that performed for the capital estimates, the provisions are expressed as Point-In-Time estimates (PIT). Hence, level of provisions will be more important in time of crisis. Furthermore, the calculation is made retaining a forward-looking approach by inputting into the estimation a weighted mix of several macro-economic forward-looking scenario's (optimistic, neutral, pessimistic and stress cases). In light of the COVID-19 pandemic dampening measures have been implemented by national and regulatory authorities. These have been included in the ECL calculations. They refer, *inter alia* to changes to avoid, to some extent, pro-cyclicality in ECL calculations by giving a greater weight to long-term normalized outlook evidenced by past experience when estimating long-term ECL, giving weight to Through-The-Cycle (TTC) approach and to take into account for moratoria and guarantee schemes on a granular manner (bottom-up approach aiming at analysing individual clients identified as "at COVID risk" on the one hand and a continuous credit risk monitoring on the other hand). Mixing expert judgement on a line by line basis of the main material portfolios together with a robust Early Warning Signal framework enriched with real time information is key in the credit risk monitoring.

The pro-active management of the ECL relies on the **cost of risk ("CoR")** metric. The cost of risk approach follows a waterfall principle. The provisions for stage 1 & 2 are calculated in a mechanical mode, based on a view on the macro-economic conditions (past and future) (pillar 1). If Belfius Bank considers that certain risk pockets, defined in terms of sectors or groups of companies, are not sufficiently covered by the mechanical provisions, certain expert overlays are added (pillar 2). If, additionally, the assessment of certain individual counterparts indicates that they present a significantly increased credit risk, but are not yet in default, the provisions constituted could be insufficient. For these cases, an individual management adjustment on the expected credit loss in stage 2 is added (pillar 3). For counterparts in default status (stage 3), the normal impairment process is run and specific provisions are calculated and booked (pillar 4). The cost of risk increased markedly in 2020 (EUR 453 million or 35bp in 2020 versus EUR 111 million or 9bp in 2019), reflecting higher expected credit losses and anticipating on a possible worsening of the credit portfolio quality. The significant amount of ex-ante provisions taken by Belfius in 2020 (EUR 331 million) will help alleviate the P&L impact from expected non-performing loans increase. In this context of remaining uncertainty, with favourable social and economic perspectives on the one hand and continued vigilance for second order economic effects of the pandemic on the other hand, Belfius has updated its economic forecasts and reviewed the Covid-19 specific provisioning approach that was developed in 2020 to absorb potential risks, related to Covid-19 sensitive sector or less resilient companies. Based on this analysis and the

¹² The CCF factor accounts for the expected evolution of the off-balance part of the exposure and is used to model the EAD.

limited inflows of default so far, the Cost of Risk (CoR) reached EUR +31 million (reversal) in 1H 2021, compared to EUR -393 million in 1H 2020. Simultaneously, Belfius further strengthened its credit risk management process: the best practices identified during the detailed screening on the loan portfolios in 2020 for Covid-19 sensitivities have been structurally embedded into the risk-based monitoring framework, based on a joint effort by the teams of risk management, customer data, the loan department and the front offices. In addition, Belfius has constantly reviewed its credit standards at origination for the mortgage portfolio, in line with the expectations of the National Bank of Belgium.

While risk across borrower classes remains relatively low at the current time, certain categories of loans are subject to higher credit risk. In particular, the National Bank of Belgium (the "**NBB**") has expressed concern with regard to the evolution of the **Belgian residential real estate market** (Belfius Bank's outstanding exposure on mortgage loans as per 31 December 2020 stood at a FEAD¹³ of EUR 36 billion, which represents 28.8% of the outstanding loans (expressed in FEAD) to customers within Belfius Bank)¹⁴.

In this perspective, the NBB established in 2019 new supervisory expectations towards the production of mortgage loans (limitation in terms of more risky facilities in terms of First Time Buyers, Loan-To-Value, Buy-To-Let Loans and Debt-To-Income). In line with these measures, Belfius Bank adopted a specific risk framework in order to comply with the NBB expectations regarding the tolerated shares related to these risk pockets. Simultaneously, a follow-up framework was put in place, including a close monitoring of the higher risk segments encompassing also longer repayment terms for instance.

In case of downturn, effects of correlation between the subsegments of the real estate market and a spill-over effects between the real economy and the real estate market could amplify the effects. The fact that Belfius real estate risk is geographically concentrated on the Belgian territory and that Belfius is only active in the Belgian real economy, are potentially aggravating factors.

Belfius Bank is also closely monitoring its exposures towards **Commercial Real Estate** as the development of the commercial activities of the bank is leading to an increase of exposure in this segment. This concentration risk is closely monitored in the Real Estate Risk Appetite Framework following maximum concentration levels on consolidated and sub-levels. Finally, the external rating agencies, Moody's, Fitch and S&P also emphasise the risks of increasing economic indebtedness and growing economic imbalances in Belgium, notably in the real estate sector.

Furthermore, in relation to Belfius Bank's lending to **public institutions**, changes in budgetary and taxation policy may affect the asset quality of loans to municipalities. In addition, one key area of concern is the hospitals sector. Belgian hospitals have a low profitability. One third of hospitals in Belgium are making a loss. The sector is undergoing a structural transformation after the Minister of Public Health launched the care reform plan: a multi-year plan reshaping of the hospital landscape. One of the effects is the regrouping of general hospitals into hospital networks. For Belfius Bank, this could lead to an increased concentration risk. The 6th state reform, assigning the power to recognise hospitals to the Regions, could also have an impact, as less public guarantees could be available for future financing. Of course, COVID-19 also had a huge impact on the hospital sector by putting

¹³ Full Exposure At Default.

¹⁴ See Circular NBB_2019_27.

exceptional resources into place to deal with the outbreak and the imposed postponement of all non-urgent surgery, consultations and medical imaging. Meanwhile, Royal Decrees were voted in order to compensate the ongoing financial impact of the COVID-19 outbreak, by making advances towards the hospital sector (whereas advances to the hospital sector are supposed to be made by the Belgian State). The objective of this financing is strictly limited to the problems & risks related to cash requirements arising from increased costs & the loss of activity. This segment is closely followed by Belfius Bank.

Finally, since 2011, Belfius Bank has been engaged in a tactical de-risking of the **ex-legacy portfolios** until end 2016. Belfius Bank has been successful in achieving its aim of bringing the risk profile of the ex-legacy portfolios in line with the risk profile of its Retail, Commercial, Corporate and Public segments. As from 1 January 2017, the remainder of these ex-legacy portfolios have been integrated in the Group Center and the remaining securities are being managed in natural run-off. An important component of these ex-legacy portfolios (total notional of Belfius Bank's ex-legacy portfolio as per 31 December 2020 stood at EUR 18.8 billion) is the large outstanding stock of derivatives (total notional of Belfius Bank's ex-legacy derivatives portfolio as per 31 December 2020 stood at EUR 12.7 billion) and bonds composed of long-term inflation linked bonds issued by highly regulated UK utilities and infrastructure companies (total notional as per 31 December 2020 stood at EUR 1.4 billion). These bonds are of satisfactory credit quality. Nevertheless, in the unlikely event of a default, the loss could be substantial but within the boundaries of the Belfius RAF. The inflation linked nature of these bonds makes them furthermore sensitive to UK real rates¹⁵. Together with the outstanding stock of derivatives, they could have an important additional capital charge in terms of Risk Weighted Assets ("RWA") as well as an increased need for collateral posting from Belfius Bank which could put Belfius Bank's overall liquidity under pressure in case of a liquidity crisis in the financial markets. The ex-legacy portfolio is constantly followed-up in terms of risks which may be hedged. But also, the possibility to exit the transactions anticipatively (e.g. through unwind, sale and novation) is regularly reassessed. Belfius Bank may by example cite the following action points that were realized within the last 12 months:

- more active management of both the XVA¹⁶ and credit derivatives positions;
- de-risking of Legacy swap positions with a strong focus on non-collateralised derivatives;
- de-risking of Legacy trading positions for which Belfius has an NBB derogation¹⁷;
- de-risking of the bond portfolio: a strong reduction in Italian sovereign exposure was realised thanks to the sale of Italian Government bonds at the end of the fourth quarter of 2020.

Belfius managed to de-risk about 30% of the outstanding Italian sovereign bonds in

¹⁵ The real interest rate is the rate of interest an investor, saver or lender receives (or expects to receive) after allowing for inflation. As such the "UK real rates" can be seen as the difference between the nominal Interest Rates levels in GBP (*i.e.*, swap rates) versus the expected Inflation Rates in UK RPI (*i.e.*, inflation swap rates).

¹⁶ This refers to all adjustments made to the fair value of credit derivatives contracts to account for e.g. credit, funding and capital adjustments.

¹⁷ Derogation to the Banking Law of 25 April 2014 as made possible through article 124. The derogation permits to Belfius to keep those "Ex-Legacy" positions within the trading book while they do not correspond to one of the five activities on financial instruments authorized by Article 121 of the Banking Law. Belfius still holds positions in Credit Derivatives in its trading book for a total notional of EUR 294 million. As a result of the obtained derogation, those positions are in run-off and are constantly followed-up in terms of risks. The possibility of unwinding is also regularly examined.

December 2020. The external rating agencies also point out the remaining ex-legacy portfolios as a potential rating pressure if not scaled back as planned. However, they also acknowledge the significant efforts that have been made since 2011 in terms of risk management. There can, however, be no assurance that the risk profile of these ex-legacy portfolios will remain at current levels even though a regular close risk monitoring is performed.

The Brexit uncertainty combined with the COVID-19 crisis also resulted in quite some volatility in the UK real rates. Belfius is well hedged in terms of profit & loss fluctuations but remains very sensitive to RWA volatility linked to shifts in the UK real rate due to its ex-legacy UK Water Inflation bonds.

The credit risk management relies on closely following up risk metrics as defined by the RAF on three distinct levels of granularity (the third level corresponds to operational limits) linked to defined acceptable risk limits. At the highest level, the percentage of Non-Performing Loans ("**NPL**"), Stressed potential loss on a single name, real estate concentration and the Earning-at-Risk metric are key to manage and understand the evolution of credit risk within Belfius Bank. At a lower level, residential real estate and NPL percentage are assessed at a more granular level for the latter (*e.g.*, business lines, CRE). Of course, in order to tackle potential evolution of credit risk, **stress testing based on financial planning** figures are also performed. Belfius Bank performed a RAF fundamental review at the end of 2019 with a broader risk coverage on the one hand and the introduction of a 2-level approach. In light of the COVID-19 crisis, the RAF indicators had been adjusted (CET1 ratio with respect to ECB relaxation measures with respect to capital requirements). Also, it was also decided to re-introduce a NIBT floor (like in the 2008 crisis) to reflect a conservative long-term through-the cycle estimated profitability.

No assurances can be given that the strategy and framework to control the general credit risk profile and to limit risk concentrations will be effective and that these risks will not have an adverse effect on Belfius Bank's results of operations, financial condition or prospects. In 2020, rating agencies took the following decisions: (i) on 30 March 2020, Fitch affirmed the long term rating of Belfius Bank at A- and revised the outlook from Stable to Negative and (ii) on 23 April 2020, S&P affirmed the long term rating of Belfius Bank at A-. Even with the COVID-19 impact, Belfius Bank's Solvency has been quite resilient so far, well within the RAF green zone.

In 2021, the rating agencies have taken the following decisions: (i) on 24 June, S&P confirmed the long-term rating of Belfius Bank at A- with Stable outlook (ii) on 13 July, Moody's upgraded Belfius Junior Senior Unsecured (Non-Preferred Senior) debt to Baa1 from Baa2 and the Junior Senior Unsecured MTN rating to (P)Baa1 from (P)Baa2. They also confirmed the long-term rating of Belfius Bank at A1 with Stable Outlook (iii) on 28 October, Fitch confirmed Belfius Bank's long-term rating at A- with Stable outlook (iv) on 16 December, S&P raised the long- and short-term ICRs on Belfius Bank to A/A-1 from A-/A-2, the issue ratings on all outstanding senior instruments to A/A-1 from A-/A-2 and the long-term Resolution Counterparty Rating (RCR) to A+ from A. At the same time, S&P affirmed the short-term RCR and the issue ratings on the hybrid instruments and confirmed that the outlook is stable.

At the end of June 2021, an increase of RWA is observed mostly driven by volume and regulatory impacts. Nevertheless, the credit quality indicators remain good showing the resilience of the retail and corporate segments to the Covid-19 crisis.

The consolidated CET 1 ratio of Belfius at the end of 2020 stood at 17.11% enabling Belfius to continue to support the Belgian economy and to execute its commercial strategy. CET 1 capital amounted to EUR 10,150 million at the same date. At the end of 2020, Belfius RWA amounted to EUR 59,309 million, an increase of EUR 2,911 million compared to EUR 56,398 million at the end of 2019, mainly due to volume and credit quality effects on the one hand and to the change in the valuation method used for the participation in Belfius Insurance on the other hand – the Danish Compromise. The H1 CET 1 ratio amounted to 16.2%. The decrease compared to end of last year is mainly explained by the increase level of RWA presented in the above-mentioned paragraph.

The possible increase of defaults due to the COVID-19 crisis is expected to materialise in the course of 2021 and 2022. On the one hand, the trigger to default is based on 90 days past due on payment (three months delay). On the other hand, financial difficulties at retail and non-retail counterparty levels are expected to increase with time (e.g. given that they will no longer have a buffer of liquidity and taking into account the end of support measures¹⁸). The provisions taken by Belfius Bank are meant to cover this future increase of credit risk. Specific and detailed guidelines have been given to the credit analysts in the re-notation or re-rating process to ensure the COVID-19 crisis is adequately taken into account in a harmonised manner within Belfius Bank. In light of the COVID-19 crisis, Belfius Bank made a detailed analysis of its credit risk portfolio and increased its IFRS 9 provisions materially in line with the strongly deteriorated economic environment. In this respect, the Cost of Risk 2020 of EUR 453 million is composed of an increase of ECL in stages 1 and 2 for a net amount of EUR 331 million and a provision for defaulted loans of EUR 122 million. The net increase of EUR 331 million in stage 1 and 2 reflects the importance of the COVID-19 ECL overlays that were accounted for, in particular in the Business and Corporate segments. In order to cover for the increase of credit risk, linked to certain risk pockets in these segments, significant exposures were shifted from stage 1 to stage 2, inducing a net reduction of the ECL in stage 1 and an increase in stage 2 for which life time expected losses¹⁹ are calculated. For H1 2021, the default rate continues to be stable and new inflow of defaults remains at the current time limited. Nevertheless, with the end of the public moratoria at 30 June, the evolution in the coming months will be far more important to monitor. Evolution of days past due and bankruptcies for professional loans is still not alerting for the moment.

With respect to the floods that occurred in Belgium in July 2021, Belfius considers that it is taking all actions to continuously monitor and take appropriate actions. A joint workgroup between the businesses and the risk department involving also impacted subsidiaries have been set up together with a closer monitoring of the mortgage portfolios involving Crefius and Belfius Insurance. Out of these assessments, the impact in terms of credit risk is relatively limited, both in credit exposure and in number of affected clients. This conclusion is reached based on the number of requests for payment deferral and/or requests for additional credits.

Profitability

¹⁸ The deferral of payments for mortgages and non-financial companies has been put in place since April 2020 and had initially been expected to last until 31 October 2020 for a maximum of six months. It had been prolonged until the end of March 2021.

¹⁹ This relates to expected credit losses that result from all possible default events over the expected life of a financial instrument.

Belfius Bank's strategy is based on the development of a strong commercial franchise that is to be supported by solid risk and financial profile foundations, a strategy even more relevant since the COVID-19 crisis. This translates into growing commercial activities, further growing their footprints in a through the cycle profitable way and investments in future business model developments, based on solid solvency foundations.

Changes in the profitability and changes in the expectations about the future profitability can influence the secondary market value of Belfius Bank's liabilities. Though the Belfius Bank management and the regulatory authorities via the Supervisory Review and Evaluation Process ("**SREP**") always strive for a sound and profitable business model, profitability can never be guaranteed as it depends to some extent on external market factors.

Besides the general economic and competitive climate, monetary policy is among the most important factors determining bank profitability. By influencing the level of the interest rates and the shape of the interest rate curve, the ECB impacts in an important way the Net Interest Rate Margin ("**NIM**") of commercial banks, like Belfius Bank. This NIM contains the bank revenues from its normal lending and borrowing activity and for Belfius Bank it constitutes a non-negligible part of the overall income. By making interest rates negative and by massively buying government bonds, the ECB exerts a negative pressure on this NIM, potentially reducing total profitability. Moreover, the interest rates that Belfius Bank must pay on its regulated deposits cannot go negative but are, by law, floored at 0.11% per year. This constitutes a cost for the bank, as retail deposits are an important source of funding. This cost increases when market rates decrease further. Depending on future evolutions of the economy and the inflation rate, the ECB may push interest rates further into negative territory and/or flatten the rate curve even further.

In light of the COVID-19 pandemic, the profitability of Belfius Bank decreased mainly driven by a higher cost of risk (driven itself by higher level of provision to absorb the expected credit losses). Profitability remains a challenge for Belfius Bank in the COVID-19 pandemic environment (given e.g. low rates and slow growth) and is closely monitored also on a proactive manner (Interest Rate Risk Management relying on the economic value of equity and its measure of change – Basis Point Value, Earning at Risk and Value at Risk calculation). As already indicated above, and again in light of the COVID-19 crisis, Belfius Bank made a detailed analysis of its credit risk portfolio and increased its IFRS 9 provisions materially in line with the strongly deteriorated economic environment.

Return On Equity increases again this semester thanks to a solid P&L that confirms the very strong 2H20 and 1H21 upturns. Nevertheless, in a context of persistent low interest rate environment and increasing competition, Belfius is still expecting profitability to remain under pressure for the coming months.

Market Risk

Market Risks are inherent to a range of Belfius Bank's businesses. Apart from the interest rate risk which is specified under Section "0. Profitability", Belfius Bank is particularly sensitive to P&L volatility stemming from value adjustments (xVA's). These value adjustments are mostly related to the ex-legacy portfolio described above.

Moreover, the hedging of structured retail products with illiquid equity indices as underlying has structurally increased the equity risk. New derivative single stock activity might also bring additional equity risk.

More elaborately, market risk within Belfius Bank is focused on all Financial Markets activities of the bank and encompasses, as mentioned above, interest rate risk, spread risk and associated credit risk/liquidity risk, foreign-exchange risk, equity risk (or price risk), inflation risk and commodity price risk. To mitigate the market risk impact, important management actions have been taken, such as additional hedges and reduction of open positions. This has, amongst others, led to reduced credit spread sensitivities.

The market risks teams reacted promptly to the COVID-19 crisis by developing new detection and monitoring tools and by taking actions to protect the P&L and solvency. The COVID-19 crisis was particularly hard for market risk management (counterparty credit spreads (translated into Fair Value through P&L via Credit Value Adjustment (CVA)) and generated huge equity drops, equity volatility, interest rate and FX swings). Starting the first week of the COVID-19 crisis, actions were taken to further reduce the credit spread sensitivity. The other remaining risk sensitivities, although well within internal limits at the beginning of the crisis, were reduced to a maximum extent. Permanent monitoring between Risk and Front office was put in place including intraday estimates of risks and results as well as a daily reporting to the Management Board. The actions taken throughout the year 2020 led to the implementation of new limits to align with Management Board risk appetite, significant improvement of sensitivity analysis (including cross-effects) and proposal for new hedges.

At the end of 2020, the CVA RWA decreased by EUR 642 million due to active management of counterparty credit risk including additional CVA hedges, the unwinding of uncollateralised swaps with financial counterparts and an increased use of CCP clearing. At end of H1 2021, the market RWA amounted to EUR 1.48 billion of which EUR 1.14 billion is calculated in the Internal Model and EUR 0.347 billion following the Standardized Approach.

Operational – Non-Financial Risks

Non-Financial Risk ("**NFR**") covers all risks that are not "financial risks" (such as market, Asset and Liability Management ("**ALM**"), liquidity, credit and insurance risks). NFR therefore covers among others operational risks (including fraud, HR, IT, IT security, business continuity, outsourcing, data-related risks, privacy, ...) as well as reputational, compliance and legal risks. In light of the increasing NFR risk environment due to the COVID-19 situation (e.g. taking into account higher fraud frequencies observed in the market, more home-based working, etc.), Belfius Bank has enhanced its NFR risk monitoring process to anticipate any material events. In case these would materialise, the impact in terms of magnitude could be high, even though, thanks to Belfius Bank's enhanced risk management, the frequency of such events is expected to stay rather low.

NFR Management is growing in importance given evolutions of risks and threats (VUCA world) combined with an ambitious business strategy. Furthermore, since March 2020, Belgium has been severely affected by the coronavirus (COVID-19), which has led to national confinements and the massive and long-term use of teleworking. Moreover, Belfius has committed itself to providing financial support to individuals and companies for getting through the crisis. All these measures have led to adapted working methods and processes, but also to a changed environment in which Belfius

operates and to which Belfius reacts in line with several key objectives (protecting health of clients and collaborators, activity continuity, communication process, improvement of NFR tooling framework, update of RAF with new and actionable KRIs). During this crisis, Belfius gave evidence of operational resilience and successful crisis management thanks to a pro-active approach based on risk analyses and scenarios. In summary, while non-financial risks have been part of the Belfius risk management for many years, the efforts for integrating the non-financial risk culture in Belfius have been paying off in 2020: the COVID-19 crisis has actually been a life stress test for non-financial risks, where Belfius has shown its resilience to a combination of multiple operational risks, including IT (security), human capital, business continuity, fraud, cyber and outsourcing risks.

Focusing on specific domains:

- **Information Security/Incident Management:** Threats against data and information are their loss of integrity, their loss of confidentiality and their unplanned unavailability. The mission of information security is to guard against these threats. An information security strategy derived from these principles has been approved by mainly focusing on IT and IT security risks. The organisation has a framework applicable to all actions pertaining to information security. Belfius Bank's RAF monitors and supports the information security strategy. It includes qualitative statements and quantitative KRIs explicitly related to information security stipulating how Belfius wants to meet the highest standards of information security (e.g. the 'Be Aware' and 'Be Resilient' metrics). The KRIs are monitoring the matching between Belfius Bank's Risk Appetite and the reality on the field (e.g. number of personal data breached).

In 2021, the main areas of operational losses were essentially due to incidents associated with external fraud and incidents in relation to execution, delivery and process management for which prompt actions have been put in place. Other categories remain limited in amount but not necessarily in number of events. The most important part of the financial impact resulting from operational incidents comes from the bank's retail business.

- **Data Privacy:** On 25 May 2018, the General Data Protection Regulation ("GDPR") became applicable. This introduced a number of new aspects compared to the old European directive from 1995. In general, the GDPR grants more rights to natural persons - such as Belfius Bank's customers - and imposes more obligations on processors and controllers of personal data - including Belfius Bank and its partners/suppliers.

The respect for privacy and the protection of personal data is a key commitment at Belfius Bank. GDPR conformity is integrated into the processes to offer products, innovative digital tools, services and information sharing to its clients.

Belfius published in May 2020 an updated privacy charter – the initial GDPR-version dates from May 2018 – on its website and informed its customers about this update. For its staff, an HR-privacy charter is published. Furthermore, the structural integration of GDPR workflow in the NPAP process has been re-enforced.

Data subject rights can be executed by data subjects via multiple possibilities, including the Belfius online applications and mobile apps. More than 98% of the data subject rights are asked via the Belfius online app and receive an answer in the same app within 1 business day.

- **Anti-Money laundering and fraud management:** In line with the overall commitment to deliver value-adding products and services, Belfius Bank wants to be extremely severe when assessing capacities with regards to fraud. A zero-tolerance policy is applicable for all forms of fraud (internal, external as well as mixed fraud). The roles and responsibilities have been clearly defined which implies in a concrete manner that business and support lines are the first risk managers. The CRO (Chief Risk Officer) and NFR (Non-Financial Risk) team including the Anti-Fraud Officer as expert have a clear 2nd Line of Defence (LoD) role. In a context of evolving digital channels and faster payments processing, internal controls are continuously screened to prevent fraud and this to protect the interests of Belfius and its employees, customers, suppliers and other stakeholders.
- **Outsourcing risk:** Belfius Bank is aware that outsourcing & third-party risk should be addressed adequately and fully assumes its responsibilities in that regard, including but not limited to overseeing and managing the concerned arrangements and the risks involved. The outsourcing risk & material arrangements policy is compliant with the "Final Report on EBA Draft Guidelines on Outsourcing Arrangements". In particular, the policy provides for the appointment of the outsourcing function and the set-up of **the Outsourcing Management (steering) Committee ("OMC")**, whose mission consists in ensuring a well governed and coordinated outsourcing in line with Belfius strategy, risk appetite and regulatory requirements. Monitoring and control of the significant providers, in particular to whom personal data is transferred, will be sharpened as of 2021 within the three lines of defence.

The Belgian 2021 July flooding impacted a limited number of branches. Belfius top priority was ensuring safety of its employees in the hit agencies. They were all pro-actively evacuated and (psycho)-assistance was also available. Next, security systems in the branches were disabled. A workaround with the private security firm was created, ensuring frequent visits from security officers at the impacted agencies. Finally, in the five agencies that were closed, a secured transport was organized in order to retrieve funding from the ATMs and of other values if present. The clients with a safe deposit box in these agencies were all contacted to open it, check for any damage and if this is the case, to lay down an insurance claim.

A substantial part of Belfius Bank's assets are encumbered

Like every credit institution, a non-negligible part of the Issuer's assets are collateralised (by means of an outright pledge, repo transaction or otherwise). The amount of assets pledged is linked to the funding granted by external parties who demand collateral to mitigate the potential risk on the Issuer.

Belfius Bank established a Belgian Mortgage Pandbrieven Programme and a Belgian Public Pandbrieven Programme. Both programmes are licensed by the NBB and each can issue Belgian pandbrieven for a maximum amount of EUR 10,000,000,000. In accordance with the law of 3 August 2012 establishing a legal regime for Belgian covered bonds, the investors of pandbrieven benefit from a dual recourse, being an unsecured claim against the general estate of Belfius Bank and an exclusive claim against the relevant special estate of Belfius Bank: one special estate for the mortgage

pandbrieven and another special estate for the public pandbrieven. With respect to the assets of the general estate of Belfius Bank, the holders of Certificates, as unsecured and unsubordinated creditors of Belfius Bank, will rank *pari passu* with the investors of pandbrieven and any other unsecured and unsubordinated creditors of Belfius Bank. However, the holders of Certificates may not exercise any rights against or attach any assets of the special estates as they are reserved for the holders of pandbrieven.

The special estate in relation to the Belgian Mortgage Pandbrieven Programme is mainly composed of residential mortgage loans and the special estate in relation to the Belgian Public Pandbrieven Programme is mainly composed of loans to Belgian public sector entities. The value of the assets, contained in the relevant special estate, needs to be in proportion with the nominal amount of issued pandbrieven under such programme (in accordance with applicable law and issue conditions). Only pandbrieven investors and other creditors, which can be identified based on the pandbrieven issue conditions, have a claim on the relevant special estate.

Finally, it should be noted that the Belgian Banking Law introduced (i) a general lien on movable assets (*algemeen voorrecht op roerende goederen/privilege général sur biens meubles*) for the benefit of the deposit guarantee fund (*garantiefonds voor financiële diensten/fonds de garantie pour les services financiers*) as well as (ii) a general lien on moveable assets for the benefit of natural persons and SMEs for deposits exceeding EUR 100,000. These general liens entered into force on 3 March 2015. Such general liens could have an impact on the recourse that any holder of Certificates would have on the general estate of Belfius Bank in the case of an insolvency as the claims which benefit from such general liens will rank (i) *pari passu* with the claims of the holders of Certificates and (ii) ahead of the claims of the holders of Subordinated Certificates of Deposit.

2. Risks related to the Certificates of Deposit

2.1. Holders of Subordinated Certificates of Deposit 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 Certificates of Deposits will lose some or all of their investment as a result of a statutory write-down or conversion of the Subordinated Certificates of Deposits if the Issuer or the Issuer's group fails or is likely to fail, becomes non-viable, requires extraordinary public support or if otherwise the conditions for the exercise of resolution powers (including its statutory loss absorption powers) are met. Please also see "*Bail-in of senior debt and other eligible liabilities, including the Senior Certificates of Deposits, and write-down or conversion of tier 2 capital instruments, including the Subordinated Certificates of Deposits*".

The purpose of the statutory write-down and conversion powers is to ensure that the tier 1 and tier 2 capital instruments of the Issuer (including the Subordinated Certificates of Deposits) fully absorb losses in case of certain circumstances and before any resolution action (including the use of the bail-in tool) is taken.

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

2.2. Bail-in of senior debt and other eligible liabilities, including the Certificates of Deposit and write-down or conversion of tier 1 and tier 2 capital instruments, including the Subordinated Certificates of Deposits

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

Following the transposition of the BRRD bail-in regime into Belgian law as of 1 January 2016, the Resolution Authority has the power to bail-in (i.e. write down or convert) more senior subordinated debt, if any, and senior debt, after having written down or converted Tier 1 capital instruments and Tier 2 capital instruments (such as the Subordinated Certificates of Deposit). The bail-in power enables the Resolution Authority to recapitalise a failed institution by allocating losses to its shareholders and unsecured creditors (including holders of Certificates of Deposit) in a manner which is consistent with the hierarchy of claims in an insolvency of a relevant financial institution. 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 Resolution Authority is able to exercise its bail-in powers if the following (cumulative) conditions are met:

- A-** the determination that Belfius Bank 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) Belfius Bank infringes or there are objective elements to support a determination that Belfius Bank 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 Belfius Bank has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;
 - (ii) the assets of Belfius Bank are or there are objective elements to support a determination that the assets of Belfius Bank will, in the near future, be less than its liabilities;
 - (iii) Belfius Bank is or there are objective elements to support a determination that Belfius Bank will, in the near future, be unable to pay its debts or other liabilities as they fall due;
 - (iv) Belfius Bank 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 Belfius Bank would prevent the failure of Belfius Bank 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 Resolution Authority of its bail-in powers in relation to the Certificates, or the (perceived) prospect of such exercise, could have a material adverse effect on the value of the Certificates and could lead to the holders of Certificates losing some or all of their investment.

2.3. *There are no events of default (other than in the event of a dissolution or liquidation of the Issuer) allowing acceleration of the Certificates B and C if certain events occur*

The Terms and Conditions of the Certificates of Deposit B and C do not provide for events of default allowing acceleration of the Certificates of Deposit B or C if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Certificates of Deposit B or C, 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 holders of Certificates of Deposit B or C for recovery of amounts owing in respect of any payment of principal or interest on the Certificates of Deposit B or C will be the institution of proceedings for the dissolution or liquidation of the Issuer in Belgium.

2.4. *The Certificates of Deposit may be redeemed prior to maturity in certain circumstances* Subject to certain conditions being met, the Certificates of Deposit may be redeemed prior to their maturity date, in whole but not in part, at the option of the Issuer, upon the occurrence of a Tax Event, a Capital Disqualification Event (as defined below) or a MREL/TLAC Disqualification Event (as defined below).

2.5. *Risks related to Certificates of Deposits which have a particular use of proceeds identified in the applicable Issuer Confirmation Form*

The relevant Issuer Confirmation Form with respect to an issue of Certificates of Deposit may provide that the Issuer intends to apply an amount equal to the net proceeds of the issue to finance and/or refinance sustainable and/or green and/or social projects.

There can be no assurance by the Issuer that the use of the net proceeds identified in the relevant Issuer Confirmation Form will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

While it is the intention of the Issuer to apply an amount equivalent to the net proceeds of any Certificate of Deposits in, or substantially in the manner described in the Issuer Confirmation Form, there can be no assurance that such application of the net proceeds will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timeframe, or that such proceeds will be disbursed as planned. Nor can there be any assurance that such Certificates or the activities or projects they finance and/or refinance will have the results or outcome (whether or not related to environmental, sustainability, or other objectives) originally expected or anticipated by the Issuer. If such application is not completed, or is completed leading to a result not originally anticipated, this will not give rise to any claim of a Certificate holder against the Issuer, be an event of default under the Certificates, lead to an obligation of the Issuer to redeem the Certificates, or jeopardise the qualification of the Certificates of Deposits as own funds or eligible liabilities of the Issuer (as applicable). For the avoidance of doubt, payments of principal and interests on the relevant Certificates of Deposits shall not depend on the performance of the relevant projects nor have any preferred right against such assets.

Any such event or failure to apply the proceeds of any issue of Certificates of Deposits as described in the Issuer Confirmation Form, any withdrawal of any applicable opinion or certification, any opinion or certification to the effect that the Issuer is not complying in whole or in part with criteria or

requirements covered by such opinion or certification or any change to the selection criteria or the fact that the maturity of an eligible asset or project may not match the minimum duration of any Certificate of Deposits will not i) lead to an obligation of the issuer to redeem the Certificates, – ii) be a relevant factor for the issuer in determining whether or not to exercise any optional redemption rights in respect of any Certificates and/or – iii) give a right to the holders to request the early redemption or acceleration of the Certificates of Deposit. may have an adverse effect on the value of the Certificates of Deposits, and may result in adverse consequences for certain investors with portfolio mandates to invest securities to be used for a particular purpose. The application of the net proceeds of such green, social or sustainability Certificates of Deposits may not meet investor expectations or be suitable for an investor's investment criteria.

Notwithstanding any use of the net proceeds of the Certificates of Deposits identified in the applicable Issuer Confirmation Form, investors should note that (i) such transactions will be fully subject to the CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments, as applicable, and as such, proceeds from Certificates of Deposits qualifying as own funds or eligible liabilities should cover all losses in the balance sheet of the Issuer regardless of their green label (ii) the Certificates of Deposits can be subject to bail-in and write-down or conversion powers and (iii) this will not affect the particular status of such Certificates of Deposits as identified in the Issuer Confirmation Form, including, as applicable, in terms of subordination, loss absorbency features and regulatory treatment.

DOCUMENTS INCORPORATED BY REFERENCE

The two most recently published annual reports of the Issuer shall be deemed to be incorporated in, and to form a part of, this Information Memorandum. Upon the STEP label being granted to the Programme, the annual reports will also be available on the website of the STEP Market (www.stepmarket.org).

Any statement contained in a document incorporated by reference into this Information Memorandum shall be deemed to be modified or superseded to the extent that a statement contained in any subsequent document which also is incorporated by reference into this Information Memorandum modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Except as provided above, no other information, including information on the websites of the Issuer is incorporated by reference into this Information Memorandum.

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.

TERMS AND CONDITIONS OF CERTIFICATES OF DEPOSIT

Each Certificate of Deposit issued under the Programme, will be subject to the following terms and conditions (the “**Terms and Conditions**”).

The following terms are the full terms and conditions as stipulated in Article 5 § 5 of the Law (as defined below) and Article 16 § 1 of the Royal Decree, which (subject to completion and amendment) will be applicable to each series of Certificates of Deposit, provided that a Certificate of Deposit may have other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these terms and conditions, replace the following terms and conditions for the purpose of such Certificate of Deposit. The specific terms relating to each Certificate of Deposit will be set out and notified in accordance with the item ‘Confirmation of the specific terms and conditions for a Certificate of Deposit’ below.

In accordance with Article 5 § 5 of the Law (as defined below), these Terms and Conditions are enforceable to the subscribers and acquirers of Certificates of Deposit issued under the Programme.

Issuer	Belfius Bank SA/NV having its registered office at Belgium, 1210 Brussels, Place Charles Rogier 11 and registered with the Crossroads Bank for Enterprises under number 0403.201.185
Programme	<p>A Belgian Global multi-currency short term and medium term Certificates of Deposit programme under which dematerialised Certificates of Deposit (<i>gedematerialiseerde depositobewijzen/certificats de dépôt dématérialisés</i>) may be issued in accordance with the Law and the Royal Decree.</p> <p>The Programme has been established for an undetermined period.</p>
Maximum Amount	<p>The Outstanding Amount of the Certificates will not exceed EUR 25,000,000,000 (or its equivalent in other currencies) at any time.</p> <p>“Outstanding Amount” means the aggregate amount of the Nominal Value or the Euro Equivalent thereof, of all Certificates of Deposit issued or contemplated to be issued under the Programme on any Issue Date.</p> <p>“Euro Equivalent” means for the purposes of calculating the Outstanding Amount, the Nominal Value of Certificates of Deposit, issued in a Foreign Currency converted into EUR at the exchange rate as published by the European Central Bank on the Issue Date for such Certificates of Deposit.</p>
Maturity of the Programme	<p>Undetermined.</p> <p>The Programme may be terminated by the Issuer at any time, provided that the present Terms and Conditions will remain in full force and effect with respect to Certificates of Deposit issued under the Programme for so long as such Certificates of Deposit shall remain outstanding.</p> <p>The Issuer will respect a 60 days prior written notice thereof to the Arranger, the Dealer(s) and the Domiciliary Agent.</p>
Dealer	<p>Belfius Bank SA/NV, having its registered office at 1210 Brussels, Place Charles Rogier 11, Belgium will act as dealer pursuant to a dealer agreement, dated on or about the date of this Information Memorandum, between the Issuer, the Arranger and the Dealer(s) (the “Dealer Agreement”).</p> <p>Other Dealers may be appointed under the Dealer Agreement.</p>

Domiciliary Agent	Belfius Bank SA/NV, having its registered office at 1210 Brussels, Place Charles Rogier 11, Belgium (the “ Domiciliary Agent ”) will act as issuing and paying agent.
Form	<p>The Certificates of Deposit, to be issued under this Programme shall be dematerialised <i>gedematerialiseerde depositobewijzen/ certificats de dépôt dématérialisés</i> (herein individually a “Certificate of Deposit”, collectively the “Certificates of Deposit”) governed by the Law and the Royal Decree.</p> <p>The conversion of Certificates of Deposit into promissory, bearer or registered Certificates of Deposit shall not be permitted. The Certificates of Deposit shall be created only by way of book entry on the securities account of their purchasers with their Custodian (as defined below).</p> <p>“Law” means the law of 22 July 1991 concerning treasury notes and certificates of deposit (<i>thesauriebewijzen en depositobewijzen/billets de trésorerie et certificats de dépôt</i>), published in the <i>Official Gazette</i> of 21 September 1991, as amended from time to time.</p> <p>“Royal Decree” means the royal decree of 14 October 1991 relating to treasury notes and certificates of deposit (<i>thesauriebewijzen en depositobewijzen/billets de trésorerie et certificats de dépôt</i>) as published in the <i>Official Gazette</i> of 19 October 1991), as amended from time to time.</p>
Type	<p>Certificates of Deposit, issued under this Programme may be Discount Certificates of Deposit, Fixed Rate Certificates of Deposit, Floating Rate Certificates of Deposit and/or Zero-coupon Certificates of Deposit.</p> <p>“Discount Certificates of Deposit” means Certificates of Deposit with a Maturity shorter than or equal to one year that are issued on a discount basis and which will not bear interest until their Maturity Date.</p> <p>“Fixed Rate Certificates of Deposit” means Certificates of Deposit that generate periodical interest payments at a fixed rate.</p> <p>“Floating Rate Certificates of Deposit” means Certificates of Deposit that generate periodical interest payments at a floating rate.</p> <p>“Zero Coupon Certificates of Deposit” means Certificates of Deposit with a maturity longer than one year issued on a discount basis and not bearing interest until their Maturity Date.</p>
Specified Currency	<p>Certificates of Deposit may be denominated in any of the currencies of an O.E.C.D. member state (such currency the Certificates of Deposit are denominated in, the “Specified Currency”), under the condition that the currency is authorised by the NBB-SSS and subject to compliance with all applicable laws, regulations and requirements.</p> <p>“Euro”, “euro”, “EUR” or “€” denotes the single currency of the Member States of the European Union that adopt or have adopted the Euro as their lawful currency under the legislation of the European Community for Economic Monetary Union.</p> <p>“Foreign Currency” means the currency of any of the O.E.C.D. member states, save Euro.</p>
Denominations	The denominations have to comply with all legal and regulatory requirements. As at the date hereof, the minimum denominations amount to multiples of EUR 1,000 with a minimum of EUR 250,000 per Certificate. For issues in a Foreign Currency, minimum denominations amount to multiples of 1,000 in the Specified Currency

	with a minimum of an equivalent value of EUR 250,000 per Certificate in the Specified Currency.
Minimum Amount	<p>For issuances in euros, the Minimum Amount of the Certificates of Deposit may at no time whatsoever, be less than the minimum amount stipulated by or established in accordance with Article 4 of the Law and/or stipulated by or established in accordance with Article 6 of the Royal Decree).</p> <p>For issuances in a Foreign Currency, the Minimum Amount of the Certificates of Deposit may at Issue Date not be less than the equivalent of the minimum amount stipulated by or established in accordance with Article 4 of the Law and/or stipulated by or established in accordance with Article 6 of the Royal Decree.</p> <p>At present, the legal minimum amount is EUR 250,000.</p>
Maturity	<p>In relation to any Certificate of Deposit, the period from and including the Issue Date up to but excluding the Maturity Date.</p> <p>Certificates of Deposit may have any maturity with a minimum of 1 calendar day and maximum 1 year (<u>Type A Certificates</u>) or a maturity with a minimum of 1 year and 1 day (<u>Type B Certificates</u>) or a maturity of minimum 5 years (<u>Type C Certificates</u>), provided that the Maturity Date for any Certificate of Deposit may not surpass the legal existence of the Issuer (as specified in the Issuer's constitutional documents) and provided that such maturity is accepted by the NBB-SSS.</p> <p>Subordinated Certificates C 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.</p>
Issue Price, Premium and Interest	<p>Unless as otherwise defined in the Investor and Issuer Confirmation Form, the Issue Price, Premium and Interest will be defined as follow:</p> <p><u>1. Discount Certificates of Deposit</u></p> <p>The issue price (the "Issue Price") for Discount Certificates of Deposit shall be calculated in accordance with the following formula:</p> $P = \frac{NV}{1 + \frac{(Y * D)}{N}}$ <p>where:</p> <p>P = Issue Price of the Discount Certificates of Deposit</p> <p>NV = Nominal Value of the Certificates of Deposit</p> <p>D = actual number of days between Issue Date (included) and Maturity Date (excluded) or such other basis that may be the market convention at the time of issue of a Discount Certificates of Deposit</p> <p>Y = implicit yield of the Discount Certificates of Deposit expressed as an annual percentage</p> <p>N = 360 or such other basis that may be the market convention at the time of issue of a Discount Certificate of Deposit</p>

2. Fixed Rate Certificates of Deposit

Fixed Rate Certificates of Deposit may be issued at par, at a discount to par or at a premium over par (the “**Issue Price**”).

Fixed Rate Certificates will bear interest from the Issue Date (such date being included) until the Maturity Date or an earlier redemption date (such dates being excluded) at a rate, per annum, agreed between the Issuer and the Dealer(s), as set forth in the applicable Confirmation Form.

Interest on Fixed Rate Certificates of Deposit will be payable in arrears on the interest payment dates (the “**Interest Payment Dates**” as defined hereafter) and on the Maturity Date or upon earlier redemption date, as applicable.

The amount of interest payable for an Interest Period shall be calculated as follows:

$$I = NV \times R \times \text{Day Count Fraction}$$

where:

NV = Nominal Value of the Fixed Rate Certificates of Deposit

R = the rate of interest expressed as an annual percentage

Day Count Fraction = the actual number of days in the Interest Period (or such other number as may be determined as being the number of days during the same period based on the market practice for the relevant currency at the time of issue of the relevant Fixed Rate Certificate of Deposit) divided by the actual number of days in a year (or such other basis that may be market practice for the relevant currency at the time of issue of the Fixed Rate Certificate of Deposit).

3. Floating Rate Certificates of Deposit

Floating Rate Certificates of Deposit may be issued at par, at a discount to par or at a premium over par (the “**Issue Price**”).

The interest rate of a Floating Rate Certificate of Deposit is equal to the reference rate (“**Reference Rate**”) plus or minus the margin (the “**Margin**”) and will be calculated from the Issue Date or from the relevant Interest Payment Date as applicable (such date being included) until the next Interest Payment Date, or the Maturity Date or an earlier redemption date (such dates being excluded).

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Issuer Confirmation Form or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Specified Currency is eur and the Reference Rate is not €STR, or (ii) the day falling five TARGET Business Days prior to the end of each Interest Period if the Specified Currency is eur and the Reference Rate is €STR, or (iii) the first day of such Interest Accrual Period if the Specified Currency is Sterling and the Reference Rate is not Sonia, or (iv) five London Business Days prior to the end of each Interest Period if the Specified Currency is Sterling and the Reference Rate is Sonia, or (v) the day falling five U.S. Government Securities Business Day prior to the end of each Interest Period if the Specified Currency is Dollar and the Reference Rate is SOFR, or (v) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor Euro.

	<p>The Certificates of Deposits where the Reference Rate is SONIA, €STR, or SOFR only be offered to eligible investors in an exempt securities accounts (a “X-account”) that has been opened with a financial institution that is a direct or indirect participant (a “Participant”) in the NBB-SSS.</p> <p>1) The Reference Rate will be the European Interbank Offered Rate (Euribor) or any other variable reference rate mutually acceptable to the parties as indicated in the relevant Confirmation Form.</p> <p>The Margin will be agreed upon the Trade Date.</p> <p>Both Reference Rate and Margin will be indicated in the relevant Confirmation Form.</p> <p>Interest on Floating Rate Certificates of Deposit will be payable in arrears on the interest payment dates (the “Interest Payment Dates” as defined hereafter). The amount of interest payable for an Interest Period shall be calculated on the Interest Determination Date as follows:</p> <p>$I = NV \times R \times \text{Day Count Fraction}$</p> <p>where:</p> <p>NV = Nominal Value of the Floating Rate Certificates of Deposit</p> <p>R = the rate of interest applicable to such Interest Period expressed as an annual percentage. For each Interest Period, the interest rate will be calculated by the Domiciliary Agent on the terms mentioned in the Investor or Issuer Confirmation Form, by (i) determining the floating rate option and the designated maturity specified in the Investor or Issuer Confirmation Form and (ii) by adding to or subtracting from, as the case may be, such rate, the Margin mentioned in the Investor or Issuer Confirmation Form.</p> <p>Day Count Fraction = the actual number of days in the Interest Period divided by 360, or on such other basis as may be market practice for the relevant currency at the time of issue of the Floating Rate Certificate of Deposit.</p> <p>The interest rate of a Floating Rate Certificate of Deposit (“Rate of Interest”) can be submitted to a minimum rate of interest (“Minimum Rate of Interest”) or a maximum rate of interest (“Maximum Rate of Interest”), expressed as a decimal, equal to the per annum rate specified as such in the related Confirmation Form.</p> <p>2) Where the Reference Rate indicated on the Confirmation Form is the SONIA , the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Confirmation Form) the Margin.</p> <p>Compounded Daily SONIA means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Domiciliary Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:</p>
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$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Period;

do is the number of London Business Days in the relevant Interest Period;

i is a series of whole numbers from one to do, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant Interest Period;

London Business Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

ni, for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following London Business Day;

Observation Period means the period from and including the date falling 5 London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Issue Date) and ending on, but excluding, the date falling 5 London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling 5 London Business Days prior to such earlier date, if any, on which the Certificates of Deposit become due and payable);

The **SONIA reference rate**, in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on Reuters Sonia or, if unavailable as otherwise published by such authorized distributors (on the London Business Day immediately following such London Business Day); and

SONIA_{i-pLBD} means, in respect of any London Business Day falling in the relevant Observation Period, the SONIA reference rate for the London Business Day falling 5 London Banking Days prior to the relevant London Banking Day "i".

If, in respect of any London Business Day in the relevant Observation Period, the Domiciliary Agent determines that the SONIA reference rate is not available on the Reuters Sonia or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Domiciliary Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIAi for the purpose of the relevant Certificates of Deposit for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

3) Where the Reference Rate indicated on the Confirmation Form is the Compounded Daily €STR, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Confirmation Form) the Margin.

“Compounded Daily €STR” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily euro short-term rate as the reference rate of the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{€STR}_{i-pTBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“d” is the number of calendar days in the relevant Interest Accrual Period;

“do” is the number of TARGET Settlement Days in the relevant Interest Accrual Period;

“ECB” means the European Central Bank or any successor or substituting authority thereto;

“i” is a series of whole numbers from one to “do”, each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in the relevant Interest Accrual Period;

“ni”, for any TARGET Settlement Day “i”, means the number of calendar days from and including such TARGET Settlement Day “i” up to but excluding the following TARGET Settlement Day;

“Observation Period” means, in respect of each Interest Accrual Period, the period from and including the date falling “p” TARGET Settlement Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date falling “p” TARGET Settlement Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling “p” TARGET Settlement Days prior to such earlier date, if any, on which the Certificates of Deposit become due and payable);

“**p**” means, for any Interest Accrual Period, the whole number of TARGET Settlement Days included in the Observation Look-back Period, as specified in the applicable Confirmation Form, being no less than five TARGET Settlement Days;

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in Euro;

“**€STR Reference Rate**” means, in respect of any TARGET Settlement Day, a reference rate equal to the daily euro short-term rate (“**€STR**”) for such TARGET Settlement Day as published by the ECB, as administrator of such rate (or any successor administrator of such rate), on the website of the ECB initially at <http://www.ecb.europa.eu> or any successor website officially designated by the ECB (the “**ECB’s Website**”) (in each case, on or before 9:00 a.m., Central European Time, on the TARGET Settlement Day immediately following such TARGET Settlement Day); and

“**€STR_{i-pTBD}**” means, in respect of any TARGET Settlement Day “i” falling in the relevant Interest Accrual Period, the €STR Reference Rate for the TARGET Settlement Day falling “p” TARGET Settlement Days prior to the relevant TARGET Settlement Day “i”.

4) Where the Reference Rate indicated on the Confirmation Form is the compounded Daily SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Confirmation Form) the Margin.

Where Screen Rate Determination is specified in the applicable Confirmation Form as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Certificate of Deposit is specified in the applicable Confirmation Form as being Compounded Daily SOFR, the Rate of Interest for an Interest Accrual Period will, subject as provided below under *Benchmark Replacement*, be Compounded Daily SOFR plus or minus (as indicated in the applicable Confirmation Form) the applicable Margin.

“**Compounded Daily SOFR**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_{i-pUSD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“**d**” is the number of calendar days in (where in the applicable Confirmation Form “Lag” or “Lock-out” is specified as the Observation Method) the relevant Interest

	<p>Accrual Period or (where in the applicable Confirmation Form “Shift” is specified as the Observation Method) the relevant Observation Period;</p> <p>“d_o” is (where in the applicable Confirmation Form “Lag” or “Lock-out” is specified as the Observation Method) for any Interest Accrual Period, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period or (where in the applicable Confirmation Form “Shift” is specified as the Observation Method) for any Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;</p> <p>“i” is a series of whole numbers from one to “d_o”, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day (where in the applicable Confirmation Form “Lag” or “Lock-out” is specified as the Observation Method) in the relevant Interest Accrual Period or (where in the applicable Confirmation Form “Shift” is specified as the Observation Method) in relevant the Observation Period;</p> <p>“Observation Period” means, in respect of each Interest Accrual Period, the period from and including the date falling “p” U.S. Government Securities Business Days preceding the first date in such Interest Accrual Period to but excluding the date “p” U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Accrual Period;</p> <p>“p” means: where in the applicable Confirmation Form “Lag” is specified as the Observation Method, the number of U.S. Government Securities Business Days included in the Observation Look-back Period specified in the applicable Confirmation Form (or, if no such number is specified, five U.S. Government Securities Business Days); and where in the applicable Confirmation Form “Lock-out” is specified as the Observation Method, zero;</p> <p>“USBD” means U.S. Government Securities Business Day;</p> <p>“n_i” means, for any U.S. Government Securities Business Day “i”, the number of calendar days from and including such U.S. Government Securities Business Day “i” up to but excluding the following U.S. Government Securities Business Day;</p> <p>“SOFR_{i-pUSBD}” means: where in the applicable Confirmation Form “Lag” is specified as the Observation Method, in respect of any U.S. Government Securities Business Day falling in the relevant Interest Period, the SOFR for the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”; or where in the applicable Confirmation Form “Lock-out” is specified as the Observation Method, during each relevant Interest Accrual Period, the SOFR determined in accordance with paragraph (1) above, except that in respect of each U.S. Government Securities Business Day i falling on or after the “Lock-out date” specified in the applicable Issuer Confirmation Form (or, where no “Lock-out date” is specified, five U.S. Government Securities Business Days prior to each relevant</p>
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Interest Payment Date) until the end of each relevant Interest Accrual Period, the SOFR determined in accordance with paragraph (1) above in respect of such “Lock-out date”; or

where in the applicable Confirmation Form “Shift” is specified as the Observation Method, $SOFR_i$, where $SOFR_i$ is, in respect of any U.S. Government Securities Business Day i falling in the relevant SOFR Observation Period, the SOFR for such day.

4. Zero Coupon Certificates of Deposit

The issue price (“**Issue Price**”) for Zero Coupon Certificates of Deposit shall be calculated in accordance with the following formula:

$$P = \frac{NV}{(1+Y)^{\frac{D}{N}}}$$

where:

P = Issue Price of the Zero Coupon Certificates of Deposit

NV = Nominal Value of the Zero Coupon Certificates of Deposit

D = actual number of days between Issue Date (included) and Maturity Date (excluded) or such other basis that may be the market convention at the time of issue of a Zero Coupon Certificates of Deposit

N = actual number of days in a year or such other basis that may be the market convention at the time of issue of a Zero Coupon Certificates of Deposit

Y = implicit yield of the Zero Coupon Certificates of Deposit expressed as an annual percentage

Interest Period

(a) For Certificates with a fixed rate of interest:

means the period from and including an Interest Payment Date (or with respect to the first Interest Period, the Issue Date) up to, but excluding, the following Interest Payment Date, without taking into account, however any adjustment if such Interest Payment Date is not a Business Day, as provided in the definition of Interest Payment Date below.

(b) For Certificates with a floating rate of interest:

means the period from and including an Interest Payment Date (or with respect to the first Interest Period, the Issue Date) up to, but excluding, the following Interest Payment Date – for the avoidance of doubt – taking into account any adjustment if such Interest Payment Date is not a Business Day.

“Interest Payment Date” means a day determined in accordance with the following provisions, unless otherwise specified at the issue:

(a) For Certificates with a fixed rate of interest:

	<p>(i) the first Interest Payment Date (for the first interest payment) shall fall on the date of the first anniversary of the Issue Date of such Certificates;</p> <p>(ii) each subsequent Interest Payment Date (for any subsequent interest payments), if any, shall fall on the date of the anniversary in each year of the Issue Date of such Certificates;</p> <p>(iii) the final Interest Payment Date shall fall on and coincide with the Maturity Date of such Certificates or, as the case may be, the earlier redemption date as applicable.</p> <p>(iv) the “anniversary” of an Issue Date in each year shall mean the day falling in the same month as and numerically corresponding to the Issue Date of such Certificates.</p> <p>If any Interest Payment Date determined in accordance with the above provisions is not a Business Day, the Interest Payment Date shall be the next succeeding Business Day.</p> <p>(b) For Certificates with a floating rate of interest:</p> <p>(i) the first Interest Payment Date (for the first interest payment) shall fall on the date which is 1, 2, 3, 6 or 12 months or any other period as defined, after the Issue Date of such Certificates and each subsequent Interest Payment Date (for each subsequent interest payment) shall fall on the date which is respectively 1, 2, 3, 6 or 12 months, or any other period as defined, after the preceding Interest Payment Date;</p> <p>(ii) the final Interest Payment Date shall fall on and coincide with the Maturity Date of such Certificates or, as the case may be, the earlier redemption.</p> <p>If any Interest Payment Date determined in accordance with the above provisions is not a Business Day, the Interest Payment Date shall be the next succeeding Business Day.</p>
ar	Unless otherwise agreed and confirmed in the Investor or Issuer Confirmation Form (see “Optional Redemption” here below), the Certificates of Deposit will be redeemed on the Maturity Date at the Nominal Value.
Optional Redemption	<p>The Issuer and Investor Confirmation Form issued in respect of each issue of Certificates of Deposit of Types A, B and C will state whether such Certificates of Deposit may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) or, in respect of each issue of Certificates of Deposit of Types A, at the option of the holders, and if so the terms applicable to such redemption.</p> <p>If so provided in the Investor Confirmation Form, the Issuer may subject, in the case of Certificates B or C, to compliance with any conditions prescribed under the applicable banking regulation, including the prior approval of the Lead Regulator or the Relevant Resolution Authority (if required), on the Optional Redemption Date (as defined in the Investor Confirmation Form), redeem all or, if so provided, some of the Certificates in the principal amount or integral multiples thereof by giving</p>

	<p>irrevocable notice to the holders within the Option Period (as defined in the Investor Confirmation Form).</p> <p>If so provided in the Investor Confirmation Form, the Issuer shall (but, in the case of Certificates B or C, a redemption at the option of the holders is excluded), subject to compliance by the Issuer with all relevant laws, regulations and directives, at the option of the holder of any such Certificate A, upon the holder of such Certificate giving irrevocable notice during the Option Period (as defined in the Investor Confirmation Form) to the Issuer, redeem such Certificate A on the Optional Redemption Date so provided (as defined in the Investor Confirmation Form).</p> <p>The notices must be done in accordance with the paragraph “Notices”.</p> <p>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 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).</p> <p>“Tier 2 capital” has the meaning given to it under the applicable banking regulation as applied by the Lead Regulator from time to time.</p>
Early Redemption	<p>The Issuer may at its option and without the consent of the Holders of the Certificates, redeem all but not only some of the Certificates which would be subject to either of the new treatments described below (in no case earlier than 30 days before the effective date of such new treatment) upon Notice being given not less than 15 days prior to the redemption date:(i) Tax Event: If, as a result of any amendment to or any change in the laws or regulations of the Kingdom of Belgium or any political subdivision thereof or any authority or agency thereof or therein or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Settlement Date, the Issuer would, on the occasion of the next payment date in respect of the Certificates held by a holder of a Certificate of Deposit belonging to one of the categories of investors as listed in article 4 of the Royal Decree of May 26, 1994, regarding the collection and the reallocation of withholding taxes, be required to pay additional amounts (see “Taxation”, “Grossing-Up”);</p> <p>(ii) Capital Disqualification Event: 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 Certificates of Deposit, at any time after the Issue Date, the Subordinated Certificates of Deposit 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 (excluding, for these purposes, any non-recognition as a result of applicable regulatory amortisation in the five years immediately preceding maturity).</p> <p>(iii) MREL/TLAC Disqualification Event: 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 MREL/TLAC classification of the Certificates of Deposit, at any time after the Issue Date, the Certificates of Deposit B cease (or would cease) to qualify as MREL/TLAC-</p>

	<p>eligible instruments under applicable MREL/TLAC Regulations on a solo and/or consolidated basis.</p> <p>In these cases, the Certificates will be redeemed :</p> <p>(i) in the case of Zero Coupon or Discount Certificate, at a price which is calculated according to the formulae given in “Issue Price”, “Premium” and “Interest”.</p> <p>Considering that, for the purpose of these formulae :</p> <p>a) the issue price is to be understood as the redemption price ;</p> <p>b) the annual yield remains the issue yield;</p> <p>c) the exact number of days to take into account are those remaining between the early redemption date and the Maturity Date.</p> <p>(ii) in the case of interest bearing Certificates, at their principal amount in the relevant currency together with accrued interest up to the date fixed for redemption.</p>
Nominal Value	<p>“Nominal Value” means the face value of the Certificates of Deposit.</p>
Business Day	<p>means (i) in relation to all Certificates 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 Certificates are denominated and (ii) in relation to Certificates denominated in euro, a day (other than a Saturday or Sunday) (A) on which banks and forex markets are open for general business in Belgium and (B) on which the NBB-SSS 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) and specified at issue.</p>
Business Day Convention	<p>Unless as otherwise defined in the Investor and Issuer Confirmation Form, the Business Day Convention will be defined as follow:</p> <p>a) For Discount Certificates of Deposit</p> <p>If the Maturity Date, or the Optional Redemption Date as applicable, would fall on a day that is not a Business Day, the Maturity Date or the Optional Redemption Date will be the first following day that is a Business Day, unless such day falls more than 1 calendar year after the Issue Date, in which case the Maturity Date or the Optional Redemption Date will be the first preceding day that is a Business Day.</p> <p>b) For Certificates with a fixed rate of interest:</p> <p>If the Maturity Date, or the Optional Redemption Date as applicable, would fall on a day that is not a Business Day, the Maturity Date or the Optional Redemption Date will be the first following day that is a Business Day.</p> <p>c) For Certificates with a floating rate of interest:</p> <p>If a Maturity Date, or the Optional Redemption Date as applicable, would fall on a day that is not a Business Day, such date shall be postponed to the next day that is</p>

	<p>a Business Day, without adjustment of the interest calculation period, or otherwise as defined.</p> <p>“Issue Date” means the date on which the Certificates of Deposit shall, in accordance with the rules of the NBB-SSS, be created and delivered by the NBB-SSS by way of book entry on the securities account of the purchasers of the Certificates of Deposit with their Custodian against payment of the Issue Price.</p> <p>“Maturity Date” means the date specified as such in the Investor Confirmation Form for such Certificate of Deposit and on which the principal of the Certificate of Deposit is scheduled to be fully redeemed.</p> <p>“Trade Date” means the date on which the Issuer and the Dealer(s) agree on a Certificate of Deposit Transaction (as defined in the Dealer(s) Agreement).</p> <p>“Optional Redemption Date” means the date on which the Certificates of Deposit are redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) or the holders, in accordance with the relevant Issuer or Investor Confirmation Form.</p>
Confirmation of the specific terms and conditions for a Certificate of Deposit	<p>In accordance with Article 16 §2 of the Royal Decree, a form will be sent to the purchaser of a Certificate of Deposit confirming the terms and conditions specific to an issue of Certificates of Deposit agreed upon between the Dealer(s) and the purchaser under the Programme (the “Investor Confirmation Form”).</p> <p>A form will be sent to the Issuer of a Certificate of Deposit confirming the terms and conditions specific to an issue of Certificate of Deposit agreed upon between the Issuer and the Dealer(s) under the Programme (the “Issuer Confirmation Form”).</p>
Reimbursement	<p>Any principal due to the holder of a Certificate of Deposit on a Maturity Date or on an Optional Redemption Date, as appropriate, shall be credited, on the basis of the amounts of the securities booked on its securities’ accounts with its Custodian, on its cash account with its Custodian, after deduction of withholding tax, if any.</p>
Late Payment	<p>Any amount remaining unpaid on the due date shall incur interest <i>ipso iure</i> and without previous notice on a day to day basis at the Applicable Default Rate (as defined hereafter) until the actual payment of all amounts due.</p> <p>“Applicable Default Rate” will be the rate equal to 0% per annum above the rate fixed by the European Central Bank (Main refinancing operations (fixed rate)). This rate is being revised by the E.C.B. on a regular basis and can be consulted on www.ecb.int.</p>
Events of Default	<p>If:</p> <p>(a) default in the payment of principal or interest in respect of the Certificates A, as and when such amounts shall become due and payable either at Maturity Date or Interest Payment Date, provided such default shall have continued for a period of 3 Business Days after the date on which such sum was due, except where such non-payment or late payment is due to any (in)action of the Domiciliary Agent, the NBB-SSS or disfunctioning of the NBB-SSS; or, the Issuer fails to duly observe or perform any other of the material undertakings contained herein and such failure is continuing for 3 Business Days after the date on which written notice of such failure requiring the Issuer to remedy the same shall have been addressed to the Domiciliary Agent by holders of any Certificates A at that time outstanding; or,</p>

	<p>(b) the Issuer takes any corporate action or other steps are taken or legal proceedings are started in a voluntary or involuntary winding-up, dissolution or in an involuntary reorganisation or for the appointing of a receiver, liquidator, administrator, trustee (or other similar official) of the Issuer or of any substantial part of its property; or,</p> <p>(c) the Issuer becomes insolvent or is declared insolvent by a competent jurisdiction, or stops, suspends or threatens to stop or suspend payment of all or a material part of its debt, or ceases or threatens to cease to carry on all or a material part of its business, or a moratorium is proposed, agreed or declared in respect of all or a material part of the indebtedness of the Issuer, or the Issuer commences a voluntary case or an order being presented under any applicable bankruptcy or insolvency law or any other similar law; or,</p> <p>(d) it becomes unlawful for the Issuer to perform any of its obligations under the Certificates A or any of its obligations ceases to be valid, binding or enforceable;</p> <p>then, in each and every such case, any holder of a Certificate A may, by written notice by registered letter to both the Issuer and to the Domiciliary Agent, cause such Certificate of Deposit to become immediately due and payable as from the date of such notice (the “Early Redemption Date”) at an amount (the “Early Redemption Amount”) determined as follows:</p> <ul style="list-style-type: none"> - If such defaulted Certificate of Deposit is a Discount Certificate of Deposit or a Zero Coupon Certificate of Deposit, at an amount calculated as in the item ‘Issue Price’ under 1. <i>Discount Certificates of Deposit</i> or 4. <i>Zero Coupon Certificates of Deposit</i>, whereby "P" would be the Early Redemption Amount and "D" would be the number of days between the Early Redemption Date, included, and the Maturity Date of the Certificate of Deposit (excluded). - If such defaulted Certificate of Deposit is a Fixed Rate or Floating Rate Certificate of Deposit, at its Nominal Value plus accrued interest. <p>Notwithstanding the above, there are no events of default (other than in the event of a dissolution or liquidation of the Issuer) allowing acceleration of the Certificates B or C if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Certificates B or C for recovery of amounts owing in respect of any payment of principal or interest on the Certificates of Deposit will be the institution of proceedings for the dissolution or liquidation of the Issuer in Belgium.</p>
Status	<p>Status of Certificates A and B</p> <p>The Certificates A and B constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer as defined in article 389/1, 1° of the Belgian Banking Law and rank and will rank at all times <i>pari passu</i> amongst themselves and equally with all other present and future unsecured and unsubordinated loan indebtedness of the Issuer as described in article 389/1, 1° of the Belgian Banking Law (except for those which are preferred by operation of law).</p> <p>Status of Certificates C</p> <p>The Certificates C in respect of which the status is specified hereon as “Subordinated” (“Subordinated Certificates of Deposit”) and the receipts and coupons relating to them constitute direct, unsecured and subordinated obligations</p>

	<p>of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. .</p> <p>In the event of dissolution or liquidation of the Issuer (including the following events creating a “<i>samenloop van schuldeisers/concours de créanciers</i>”: bankruptcy (“<i>faillissement/faillite</i>”), judicial liquidation (“<i>gerechtelijke vereffening/liquidation forcée</i>”) or voluntary liquidation (“<i>vrijwillige vereffening/liquidation volontaire</i>”) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), the rights and claims of the holders of Certificates C against the Issuer shall be for an amount equal to the principal amount of each Certificate C together with any amounts attributable to such Certificates C and shall rank:</p> <p>(a) subject to any obligations which are mandatorily preferred by law, junior to the claims of (1) depositors and all other unsubordinated creditors and (2) all Eligible Creditors of the Issuer;</p> <p>(b) <i>pari passu</i> without any preference among themselves and <i>pari passu</i> with any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Certificates C ; and</p> <p>(c) senior and in priority to (1) the claims of holders of all classes of share or other equity capital (including preference shares) of the Issuer, (2) 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 (3) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Certificates C.</p> <p><i>Defined Terms</i></p> <p>In this Condition:</p> <p>“Eligible Creditors”</p> <p>Eligible Creditors means creditors holding claims that, in accordance with their terms, rank or are expressed to rank senior to the Certificates C.</p> <p>“Tier 1 capital”</p> <p>Tier 1 capital has the meaning given to it under the applicable banking regulation as applied by the Lead Regulator.</p>
Waiver of set-off	<p>Subject to applicable law, no Holder of Certificates B and C 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 the Certificates B and C and each Holder of Certificates B and C shall, by virtue of his subscription, purchase or holding of a Certificate B and C, be deemed to have waived all such rights of set-off.</p>
Repurchase and Cancellation	<p>The Issuer may at any time purchase Certificates of Deposit, (but, in the case of Certificates of Deposit B or C, subject to consent thereto having been obtained from the Lead Regulator) provided that such purchase is made by the Domiciliary Agent acting for the Issuer and provided that such Certificates of Deposit are cancelled,</p>

	without prejudice to the right of the Issuer to issue new Certificates of Deposit within the limits of the Maximum Amount.
Lead Regulator	Means the NBB, European Central Bank or any successor entity primarily responsible for the prudential supervision of the Issuer.
Rating	<p>The Programme has been rated as follows:</p> <ul style="list-style-type: none"> - Standard & Poor's has assigned the following ratings to the Certificates to be issued under the Programme: A for debt maturing in one year or more, A-1 for debt maturing in one year or less and BBB for subordinated debt; - Moody's has assigned the following ratings to the Certificates to be issued under the Programme: (P)P-1 for senior certificates up to 1 year, (P)A1 for senior unsecured certificates with a maturity of more than 1 year and (P)Baa2 for senior subordinated certificates; - Fitch has assigned the following ratings to the Certificates to be issued under the Programme: F1 for short term senior certificates and A- for long term senior certificates.
Secondary Market	<p>Whenever an investor wishes to sell a Certificate of Deposit before its Maturity Date, each of the Dealers shall try, on a best effort basis and without any commitment whatsoever on its part, to find one or more purchasers for such Certificate of Deposit.</p> <p>Each investor is allowed to sell one or several Certificates of Deposit it owns provided that such sale may not result in an investor holding Certificates of Deposit in an amount less than the Minimum Amount.</p> <p>With regard to the Certificates of Deposit denominated in Foreign Currency, article 2, §2 of the royal decree of 14 June 1994 fixing the rules applicable to holding on account dematerialised securities which are denominated in a foreign currency or in currency units other than Euro (published in the Official Gazette of 17 June 1994) as amended from time to time, stipulates that no transaction may occur on a value date falling one Business Day or less before an Interest Payment or before the Maturity Date.</p>
Listing	Certificates under this Programme will not be listed on any market, regulated or non regulated.
Notices	<p><u>1. To the holders of Certificates of Deposit</u></p> <p>Any notice to holders of Certificates of Deposit shall be validly given if</p> <p>(i) made by (a) direct mail to the holder of a Certificate of Deposit having a securities account or to the Custodian or (b) by a notice through the intermediary of the NBB-SSS, or</p> <p>(ii) published once in two leading financial Belgian newspapers (which are expected to be <i>L'Echo</i> and <i>De Tijd</i>) or, if this is not practicable, in one or two other leading French and/or Dutch language newspapers with general circulation in Belgium.</p> <p>The notice under paragraph (i) above shall be deemed to have been made upon delivery thereof to, for the purpose of option (a), holder of a Certificate of Deposit having a securities account or to the Custodian or, for the purpose of option (b), to the NBB-SSS. 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.</p>

	<p>The notice under paragraph (ii) above shall be deemed to have been given on the date of publication or, if published on more than one date or on different dates, on the first date on which such publication shall have been made.</p> <p><u>2. To the Issuer or to the Domiciliary Agent</u></p> <p>Notices to the Issuer or to the Domiciliary Agent will be made to their respective registered offices by registered mail, or e-mail (immediately confirmed by registered mail) and addressed for the attention of or to the person designated by that party for that purpose, as set out on the last page of the Information Memorandum.</p> <p>A notice given to the Issuer or to the Domiciliary Agent is deemed to have been made upon delivery or 3 Business Days after being sent by registered mail in a correctly addressed envelope.</p>
Governing Law and Jurisdiction	<p>The Certificates of Deposit shall be governed by Belgian law. Any disputes in connection with the Certificate of Deposit shall be brought before the competent Courts of Brussels.</p>
Delivery and Payment	<p>The Certificates of Deposit shall, in accordance with the rules of NBB-SSS, be created and delivered by NBB-SSS by way of book entry on the securities account of the purchasers of the Certificates of Deposit with their Custodian against payment of the Issue Price.</p> <p>The Certificates of Deposit will be cleared and settled through the securities settlement system operated by the National Bank of Belgium. Delivery is also possible through other clearing systems. A list of CSD's having an investor link with NBB-SSS is available at following internet address: https://www.nbb.be/nl/list-nbb-investor-icsds</p> <p>"NBB-SSS" means the securities settlement system recognised or approved in accordance with Articles 3 to 13bis of the Law of 2 January 1991 on the market of public debt securities and the monetary policy instruments as amended from time to time, the Law of 6 August 1993 as amended from time to time and its implementing decrees as amended from time to time. The securities settlement system operated by the NBB was recognised as such by a Royal Decree of 14 June 1994. NBB-SSS is the entity with whom the Issuer and the Domiciliary Agent have concluded an agreement for the provision of services relating to the issuance of dematerialised Certificates of Deposit (<i>overeenkomst tot diensverlening inzake de uitgifte van gedematerialiseerde depositobewijzen/convention de services relatif à l'émission de certificats de dépôt</i>) (the "Clearing Agreement"), currently NBB.</p> <p>"Custodian" means any direct or indirect participant in the NBB-SSS with whom a holder of Certificates of Deposit is evidenced by book-entry. Participants in the NBB-SSS include most Belgian banks and stock brokers, Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear"), Clearstream Banking, <i>société anonyme</i> ("Clearstream, Luxembourg") and several banks established in a Member State of the European Union.</p> <p>"NBB" means the National Bank of Belgium (<i>Nationale Bank van België N.V./S.A. Banque Nationale de Belgique</i>), having its registered office at boulevard de Berlaimont 14, 1000 Brussels, Belgium.</p>
Taxation, Grossing-up	<p>All payments of principal and interest in respect of the Certificates of Deposit will be made without deduction or withholding for, or because of, taxes or duties of whatever nature imposed or levied by, or on behalf of the Kingdom of Belgium, or</p>

	<p>any political subdivision thereof or any authority or agency therein or thereof having power to tax, provided the holder of a Certificate of Deposit is an Exempted Investor (as defined below) and holds such Certificate of Deposit through an Exempt Account, on which the payments are credited, unless such deduction or withholding is required by subsequent legislation.</p> <p>If, as a result of any change in the laws or regulations of the Kingdom of Belgium or any of its political subdivisions after the issuance of any Certificates, a deduction or withholding for or on account of any tax were required to be made from payments of interest or principal to be made by or on behalf of the Issuer in respect of such Certificates held by Investors who, under the provisions referred above as they were in effect on the Issue Date of such Certificates, were holding the securities on an X-account, then the Issuer shall pay such Additional Amount in respect of such Certificates as is necessary in order for the net amount received by the Investor after such deduction or withholding to be equal to the amount which it would have received absent such deduction or withholding. The Issuer has no obligation to pay such Additional Amount for any tax in any other circumstance.</p> <p>If the holder of Certificates of Deposit holds the Certificates of Deposit on an N-Account, all payments of principal and interest in respect of the Certificates will be made after deduction of Belgian withholding tax by NBB-SSS, as appropriate. In such case, no Additional Amounts (as defined) shall be payable by the Issuer.</p> <p>In the case of a deduction or withholding, the Issuer will <u>not</u> pay such additional amount ("Additional Amount") as may be necessary to the effect that the net amounts received by the holders of Certificates of Deposit after such deduction or withholding shall equal the respective amounts which would have been receivable under the Terms and Conditions of the Certificates of Deposit by the holders of Certificates of Deposit in the absence of such deduction or withholding.</p> <p>At the date of this Information Memorandum, no stamp duty (<i>Taks op Beursverrichtingen/ Taxe sur les opérations de bourse</i>) is due in respect of the Certificates of Deposit.</p> <p><i>Without prejudice to the foregoing, the investor shall bear any tax, duty, charge or fiscal liability which may arise in connection with its acquisition, holding or disposal of the Certificates of Deposit.</i></p> <p><i>"Exempt Accounts"</i> or <i>"X-Accounts"</i> are securities accounts opened with a Custodian in the name of persons or institutions defined in Article 4 of the Royal Decree of 26 May 1994 relating to the levy and the bonification of withholding tax in accordance with chapter I of the Law of 6 August 1993 relating to transactions in certain securities, as amended from time to time.</p> <p><i>"Non-Exempt Accounts"</i> or <i>"N-Accounts"</i> are securities accounts opened with a Custodian in the name of persons or institutions that are not Exempted Investors.</p> <p><i>"Exempted Investor"</i> means a person or institution mentioned in Article 4 of the Royal Decree of 26 May 1994 relating to the levy and the bonification of withholding tax in accordance with chapter I of the Law of 6 August 1993 relating to transactions in certain securities, as amended from time to time.</p>
Investors and Selling Restrictions	<p>In Belgium, provided that:</p> <ul style="list-style-type: none"> (i) the Programme is admitted in NBB-SSS, (ii) the Certificates of Deposit are booked on a securities account of their purchasers with a Custodian and,

	<p>(iii) the Minimum Amount is respected,</p> <p>Certificates of Deposit may be offered or sold to any investor.</p> <p>In addition, the Certificates of Deposit may be purchased, offered or sold in jurisdictions other than Belgium only in compliance with applicable laws and regulations of these jurisdictions and/or of the home countries of the relevant currencies in which they are purchased, offered or sold. No action has been or will be taken by the Issuer or the Dealer(s) that would permit a public offering of the Certificates of Deposit in any country or any jurisdiction where action for that purpose is required. Potential investors are required to inform themselves of, and to comply with, all applicable laws and regulations of such jurisdictions and will accept responsibility accordingly.</p> <p>See also the chapter Selling Restrictions.</p>
Benchmark replacement	<p>If the Issuer determines that a Benchmark Event occurs in relation to the applicable reference rate (the “Reference Rate”) when any rate of interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Certificates of Deposit:</p> <ul style="list-style-type: none"> (i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with an Independent Adviser with a view to the Issuer determining (without any requirement for the consent or approval of the holders of the Certificates) (A) a Successor Rate (as defined below) or, failing which, an Alternative Reference Rate (as defined below), for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Certificates and (B) in either case, an Adjustment Spread (as defined below); (ii) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate (as applicable) for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided herein); (iii) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without

	<p>any requirement for the consent or approval of the holders of Certificates) also specify changes to these Terms and Conditions, including but not limited to the method for determining the fall-back rate in relation to the Certificates of Deposit, in any such case in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate or any Adjustment Spread (as applicable). If the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread; and</p> <p>(iv) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the holders of the Certificates. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to these Terms and Conditions (if any),</p> <p><i>provided that</i> the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) and any other related changes to the Certificates, shall be made in accordance with the relevant applicable banking regulations (if applicable).</p> <p>An Independent Adviser appointed pursuant to this provision shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the holders of the Certificates for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this provision.</p> <p>Notwithstanding any other provision, no Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the Terms and Conditions will be made pursuant to this provision, 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 Certificates giving rise to a</p>
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	<p>Capital Disqualification Event (in the case of Subordinated Certificates) or a MREL/TLAC Disqualification Event (in the case of Certificates B or C).</p> <p>For the purposes of this provision:</p> <p>“Adjustment Spread” means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the holders of Certificates as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:</p> <ul style="list-style-type: none"> (v) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or (vi) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or (vii) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or (viii) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser (if any) and acting in good faith, determines to be appropriate. <p>“Alternative Reference Rate” means the rate that the Issuer determines has replaced the relevant Reference Rate in customary market usage in</p>
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	<p>the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the relevant Reference Rate or Mid-Swap Rate (as applicable).</p> <p>“Benchmark Event” means:</p> <ul style="list-style-type: none"> (ix) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or (x) a public statement by the administrator of the relevant Reference Rate stating that it will, by a specified date within the following six months, cease to publish the relevant Reference Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or (xi) a public statement by the supervisor of the administrator of the relevant Reference Rate stating that the relevant Reference Rate has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or (xii) a public statement by the supervisor or the administrator of the relevant Reference Rate that means that the relevant Reference Rate will be prohibited from being used within the following six months; or <p>“IA Determination Cut-Off Date” means no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period.</p> <p>“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.</p> <p>“Relevant Nominating Body” means, in respect of a Reference Rate:</p> <ul style="list-style-type: none"> (xiii) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or (xiv) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for
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	<p>the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.</p> <p>“Successor Rate” means the rate that the Issuer determines is a successor to, or replacement of, the Reference Rate which is formally recommended by any Relevant Nominating Body.</p>
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SELLING RESTRICTIONS

1. General

The Issuer and each Dealer represents, warrants and agrees that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Certificates of Deposit and it will not directly or indirectly offer, sell, resell, re-offer or deliver Certificates of Deposit or distribute any disclosure document (including but not limited to the Information Memorandum), offering circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

Potential purchasers will undertake to comply with all applicable laws and regulations of such jurisdictions and will accept responsibility accordingly.

More specifically, but without limitation, potential purchasers are hereby informed that:

2. Belgium

In Belgium, there are no restrictions in respect of the purchase and transfer of the Certificates of Deposit other than (i) that the Certificates of Deposit are to be kept at all times on a securities account with a Custodian, and (ii) no issuance or transfer of Certificates of Deposit may result in any investor holding Certificates of Deposit less than the minimum amount stipulated by or established in accordance with Article 4 of the Law and/or stipulated by or established in accordance with Article 6 of the Royal Decree.

The Certificates of Deposits where the Reference Rate is SONIA, €STR, or SOFR may only be offered to eligible investors in an exempt securities accounts (a “**X-account**”) that has been opened with a financial institution that is a direct or indirect participant (a “**Participant**”) in the NBB-SSS.

3. United States of America

*The Certificates of Deposit have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and the Certificates of Deposit may not be offered or sold within the United States. The Issuer and each Dealer represents and agrees that it has offered and sold, and will offer and sell, Certificates of Deposit only outside the United States in accordance with Rule 903 of Regulation S under the Securities Act (“**Regulation S**”). Accordingly, the Issuer and each Dealer represents and agrees that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Certificates of Deposit. Terms used in this paragraph have the meanings given to them by Regulation S.*

4. The United Kingdom

The Issuer and each Dealer represents, warrants and agrees that:

- a. 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
- b. it has not offered or sold and will not offer or sell any Certificates of Deposit other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 Certificates of Deposit would otherwise constitute a

contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSM Act**”) by the Issuer;

c. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSM Act) received by it in connection with the issue or sale of any Certificates of Deposit in circumstances in which section 21(1) of the FSM Act does not apply to the Issuer; and

d. it has complied and will comply with all applicable provisions of the FSM Act with respect to anything done by it in relation to such Certificates of Deposit in, from or otherwise involving the United Kingdom.

5. Japan

The Issuer and each Dealer acknowledges that the Certificates of Deposit have not been and will not be registered under the Financial Instruments and Exchange Act (Act. Nr. 25 of 1948) of Japan (the “**Financial Instruments and Exchange Act**”) and, accordingly, the Issuer and each Dealer undertakes that it will not offer or sell any Certificates of Deposit, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For these purposes “**Japanese Person**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

TAXATION

The information provided below does not purport to be a complete summary of Belgian tax laws and practices currently applicable. This summary is based on Belgian tax laws and practice in effect on the date of this Information Memorandum, which are subject to change, potentially with retrospective effect. Potential investors who are in any doubt as to their tax position should consult with their own professional adviser.

1. DESCRIPTION OF THE BELGIAN TAXATION SYSTEM

1.1. Withholding tax

Under current Belgian withholding tax legislation, all interest (including the part of the capital gain realised upon redemption of the debt securities by the Issuer) paid through a Belgian intermediary is generally subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30%.

Dematerialised certificates of deposit issued under the Law of 22 July 1991 relating to treasury notes and certificates of deposit (*certificats de dépôt / thesauriebewijzen*) will be cleared in the clearing system of the National Bank of Belgium. Consequently, they shall benefit from the application of the law of 6 August 1993 on the transactions on certain securities, as amended, and the royal decrees of 26 May 1994 and 14 June 1994, all as amended from time to time.

Hence, the withholding tax regime in Belgium in relation to the treasury notes and certificates of deposit will be governed by the following principles:

1.1.a. X-Accounts and N-Accounts

Certificates of deposit shall be booked on the securities account of the investor(s) with its (their) Custodian, which securities account will be either an X-Account or an N-Account

Exempt Accounts or **X-Accounts** are securities accounts opened in the name of persons or institutions, defined in article 4 of the Royal Decree of 26 May 1994 as amended from time to time, benefiting from an exemption from withholding tax.

Each person or institution qualifying to hold such an Exempt Account shall upon the opening of such an account provide its Custodian with a certificate – established in a form approved by the Belgian Minister of Finance – stating that it belongs to one of the categories as set out in article 4 of the Royal Decree of 26 May 1994 as amended from time to time. It shall immediately inform its Custodian of any changes in the information contained in the certificate.

These identification requirements do not apply to Treasury Notes held in central securities depositaries as defined in Article 2, 1st paragraph, (1) of the Regulation N° 909/2014 (“CSDR”) acting as Participants to the Securities Settlement System and to their sub-participants outside of Belgium, provided that these institutions or sub-participants only hold X-Accounts and that they are able to identify the account holder. For the identification requirements not to apply, it is furthermore required that the contracts which were entered into by the Participants and their sub-participants include the commitment that all their clients, holder of account, are Exempted Investor.

In the event that a person or institution ceases to be an Exempted Investor, its securities account will become an N-Account.

Non-exempt Accounts or **N-Accounts** are securities accounts opened in the name of persons or institutions that do not qualify to hold an X-Account and for which withholding tax applies.

1.1.b. Payments of principal and interest

All payments of principal and interest in respect of the Certificates of Deposit will be made:

- without withholding tax if the certificate(s) of deposit is (are) held on an X-Account;
- after deduction of a withholding tax of 30% if the certificate(s) of deposit is (are) held on a N-Account.

1.1.c. *Exempted Investors*

The following persons or institutions (as defined in article 4 of the Royal Decree of 26 May 1994, as amended from time to time) are entitled to hold certificates of deposit in an Exempt Account:

- (a) Belgian resident companies subject to Belgian corporate income tax;
- (b) 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 1° and 3° subject to the application of article 262, 1° and 5° of the Income Tax Code of 1992 state regulated institutions for social security or assimilated ("*institutions parastatales*", "*parastatalen*");
- (c) mutual investment funds approved for pension savings scheme;
- (d) non-resident individual investors and non-resident legal entities who have not allocated the treasury notes and certificates of deposit to the exercise of a professional activity in Belgium;
- (e) non-resident companies subject to non-resident corporate income tax, whether or not they have allocated treasury notes and certificates of deposit to a permanent establishment in Belgium;
- (f) the Belgian State, for its investments exempt from withholding tax, pursuant to article 265 of the Belgian Income Tax Code;
- (g) foreign mutual investment funds, which form an undivided estate managed by a management company for the account of the participants, provided that the participation certificates are not offered publicly in Belgium and are not traded in Belgium;
- (h) Belgian resident companies not referred to under (a) and whose exclusive or principal activity is granting loans;
- (i) only for the revenues of the debt securities issued by legal persons that are part of the public sector within the meaning of the European system of national and regional accounts (ESA), for the application of Council Regulation (EC) No 3605/93 of 22 November 1993 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community, the legal persons that are part of the aforementioned public sector.

1.2. *Belgian Income tax and Capital Gains*

1.2.a. *Belgian Resident Individuals*

The Belgian withholding tax of 30%, levied by the National Bank of Belgium on any interest income obtained on the certificates of deposit held on an N-account, constitutes the final taxation, meaning that the Belgian resident individuals do not have to declare the interest income in their personal income tax return.

Belgian resident individuals are not liable to income tax on capital gains realised upon the disposal of the certificates of deposit (other than the part of the sales price attributable to the pro rata interest component which qualifies as interest income), provided that the certificates of deposit have not been

allocated to their professional activity and that the capital gain is realised within the framework of the normal management of their private estate.

1.2.b. *Belgian Resident Corporations*

Holders of certificates of deposit that are residents of Belgium and subject to Belgian corporate income tax, are liable to corporate income tax on the income of the certificates of deposit and capital gains realised upon the disposal of the certificates of deposit. Capital losses realised upon the disposal of the certificates of deposit are generally tax deductible.

1.2.c. *Belgian Resident Legal Entities*

For holders of certificates of deposit that are residents of Belgium and subject to Belgian legal entities income tax, the withholding tax of 30% levied on the interest will constitute the final tax in their hands. If no withholding tax was levied due to the fact that they hold the certificates of deposit through an X-Account in the NBB-SSS or with a Custodian, they will have to declare such interest and pay spontaneously the applicable withholding tax to the Belgian Treasury.

Belgian legal entities are not liable to income tax on capital gains realised upon the disposal of the certificates of deposit (other than the part of the sales price attributable to the *pro rata* interest component which qualifies as interest income).

1.2.d. *Non-Residents of Belgium*

Holders of certificates of deposit that are non-residents of Belgium for Belgian tax purposes and are not holding the certificates of deposit through a Belgian establishment and do not invest the certificates of deposit in the course of their Belgian professional activity will not incur or become liable for any Belgian tax on income or capital gains (save as the case may be, in the form of withholding tax) by reason only of the acquisition, ownership or disposal of the certificates of deposit.

1.3 Stamp duties

Article 126¹ 9° of the Code of Miscellaneous Taxes and Duties exempts all transactions involving treasury notes or certificates of deposit from the Belgian Tax on Stock Exchange Transactions (*taks op beursverrichtingen / taxe sur les opérations de bourse*).

2. EXCHANGE OF INFORMATION

Under the Common Reporting Standard (CRS), financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

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

3. TAX ON SECURITIES ACCOUNTS

The Law of 17 February 2021 introduced a tax on securities accounts (taxe sur les comptes-titres/taks op de effectenrekeningen) (**TSA**).

The applicable tax base is the average value of financial instruments (including the Certificates of Deposit) and cash held on a securities account during a reference period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year provided said average value exceeds EUR 1,000,000.

The applicable tax rate of the TSA is 0.15%. The TSA due will in any case be limited to 10 % of the difference between the tax base and EUR 1,000,000. As regards non-residents, to the extent the TSA is viewed as a tax on capital within the meaning of the relevant double tax treaties, treaty override may, subject to certain conditions, be claimed. The TSA will also not be due with respect to securities accounts held, directly or indirectly and solely for their own account, by Belgian non-resident investors who do not use these securities accounts within a Belgian establishment, as referred to in Article 229 ITC, with a central securities depository as referred to in Article 198/1, §6, 12° ITC.

The TSA will in principle be withheld, declared and paid by the Belgian intermediary. Otherwise, the TSA would have to be declared and paid by the holder of the securities account for purposes of the TSA unless said holder provides evidence that the TSA has already been declared and paid by a Belgian or non-Belgian intermediary.

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

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