



BELFIUS BANK SA/NV

(Incorporated with limited liability under the laws of Belgium)

Issuer and Calculation Agent

WARRANT ISSUANCE PROGRAMME

Under the Warrant Issuance Programme (the “**Programme**”) described in this base prospectus (this “**Base Prospectus**”) Belfius Bank SA/NV (with legal entity identifier (“**LEI**”) A5GWLFH3KM7YV2SFQL84) (also named Belfius Banque SA/Belfius Bank NV, “**Belfius Bank**” or “**Belfius**”) (the “**Issuer**”), may from time to time, issue two categories of warrants (together the “**Warrants**” and individually as a “**Warrant**”):

- “**Employee Warrants**”, which are Warrants linked to **Class C shares of the compartment Belfius Equities Europe Conviction within Belfius Equities sicav**, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises’ number 0444.229.910 (Code ISIN/Code Trading: BE0945524651; Code Bloomberg: DEXBEUR BB) (the “**Underlying Fund Shares**”). Employee Warrants may be offered to any kind of employer who wants to use the Employee Warrants as employee benefit. The Issuer and its subsidiaries may also subscribe to Employee Warrants in their capacity as employer.
- “**Employer Warrants**”, which are Warrants linked to the **MSCI Europe Net Total Return Index (M7EU)** (the “**Underlying Index**”). The Employer Warrants may be offered to any kind of employer who wants to use the Employer Warrants for its own purposes (such as hedging) in connection with employee benefit schemes set up by such employer for its employees and/or independent officers. **Employer Warrants should not be offered to employees.**

The Warrants issued under this Programme do not constitute warrants as referred to in the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen/Code des Sociétés et des Associations*) and the holders of the Warrants (“**Warrant Holders**”) will not have the rights of holders of warrants provided in the Belgian Companies and Associations Code. The Warrants do not give the right to subscribe to shares in the Issuer or to attend or vote at the general shareholders’ meeting of the Issuer.

Each Tranche of Warrants will be documented by final terms (the “**Final Terms**”). This Base Prospectus should be read and construed in conjunction with each relevant Final Terms. The relevant Final Terms and this Base Prospectus together constitute the prospectus (the “**Prospectus**”) for each Tranche.

The Warrants shall be derivative securities in the meaning of the Commission delegated regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (herein referred to as “Commission delegated regulation (EU) 2019/980”). Derivative securities are financial instruments for which the Warrant Holders could lose all or substantial portion of the principal invested.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Base Prospectus and make their own assessment as to the suitability of investing in the Warrants, including in particular the risk factors as described below in Section 2 (Risk Factors).

For a description of the risk factors, please revert to the full Section 2 of this Base Prospectus.

This Base Prospectus was approved by the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*) (“**FSMA**”) on 22 October 2024 as competent authority under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and is valid for one year from that date, provided that this Base Prospectus may be updated by any supplements in accordance with Article 23 of the Prospectus Regulation. This Base Prospectus replaces and supersedes the base prospectus of Belfius Bank dated 24 October 2023. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus would no longer be valid.

The current long-term ratings of Belfius Bank are A1, with outlook ‘Stable’ (Moody’s), A, with outlook ‘Stable’ (Standard & Poor’s) and A-, with outlook ‘Stable’ (Fitch). An outlook is not necessarily a precursor of a rating change or future credit watch action. In case of any rating action by any of the rating agencies, the most recent credit ratings of Belfius Bank are always published on Belfius Bank website, at the following address: <https://www.belfius.be/about-us/en/investors/ratings>.¹

Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

This Base Prospectus and the Final Terms (including the summary thereto) of each Tranche of Warrants that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Regulation and any supplement, are available on the website www.belfius.be² (under the heading “Incentives & Motivation Solutions” <https://www.belfius.be/corporate/FR/ProduitsServices/EmployeeBenefits/IncentivesMotivationSolutions/index.aspx?firstWA=no>) and a copy can be obtained free of charge in the offices of Belfius Bank.

Pursuant to Article 8.8 of the Prospectus Regulation, a summary shall be drawn up once the Final Terms are included in this Base Prospectus, or in a supplement, or are filed, and that summary shall be specific to the individual issue.

MIFID II product governance / target market – Belfius Bank acts as sole manufacturer and distributor (each as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended from time to time and most recently by Regulation (EU) 2019/2115 of the European Parliament and of the Council of 27 November 2019 (as amended, “**MiFID II**”)) of the Warrants. The Final Terms in respect of any Warrants may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Warrants and which channels for distribution of the Warrants are appropriate.

PRIIPs / EEA retail investors – The Warrants may be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast) (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, a key information document required by Regulation (EU) No 1286/2014 (as amended the “**PRIIPs Regulation**”) for offering or selling the Warrants or otherwise making them available to retail investors in the EEA will be prepared.

¹ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

² Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

Prohibition of sale of Employer Warrants to consumers in Belgium – The Employer Warrants are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, in Belgium to “consumers” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique / Wetboek van economisch recht*).

This Base Prospectus has been approved by the FSMA on 22 October 2024 as competent authority under the Prospectus Regulation in accordance with Article 20 of the Prospectus Regulation. This approval does not entail any appraisal of the appropriateness or the merits of any issue under the programme nor of the situation of the Issuer. The FSMA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus.

Table of Contents

1.	GENERAL DESCRIPTION OF THE PROGRAMME AND THE WARRANTS	7
2.	RISK FACTORS	11
2.1	Risks related to Belfius Bank	11
2.2	Risks related to the Warrants	18
3.	CHOICES MADE BY THE ISSUER	25
4.	RESPONSIBILITY STATEMENT	26
5.	DOCUMENTS INCORPORATED BY REFERENCE	27
6.	BELFIUS BANK SA/NV	30
6.1	Belfius Bank profile	30
6.2	Main commercial subsidiaries	31
6.3	Financial results	31
6.4	Minimum CET 1 requirements (SREP)	36
6.5	Segment reporting	37
6.6	Post-balance sheet events	43
6.7	Risk Management	44
6.8	Ratings	67
6.9	Other information	69
6.10	Litigation	69
6.11	Management and Supervision of Belfius Bank	72
6.12	Audited Consolidated Financial Statements of Belfius Bank	83
7.	TERMS AND CONDITIONS OF THE EMPLOYER WARRANTS	89
7.1	Form, Issue Price and Title	89
7.2	Governing law and jurisdiction	90
7.3	Currency	90
7.4	Definitions	90
7.5	Exercise Procedure	94
7.6	Further information relating to the Employer Warrants	96
7.7	Cancellation	98
7.8	Payment	99
7.9	Description of market disruption event or settlement disruption that affects the Underlying Index	99
7.10	Adjustments to the Underlying Index	99
7.11	Rounding	101
7.12	Status of Employer Warrants	101
7.13	Responsibility of the Calculation Agent	101
7.14	Notices	101
7.15	Taxation	101
8.	TERMS AND CONDITIONS OF THE EMPLOYEE WARRANTS	106
8.1	Form, Issue Price and Title	107
8.2	Governing law and jurisdiction	108
8.3	Currency	108

8.4	Definitions.....	108
8.5	Exercise Procedure.....	112
8.6	Further information relating to the Employee Warrants	112
8.7	Cancellation	115
8.8	Payment	115
8.9	Description of market disruption event or settlement disruption that affects the Underlying Fund Shares	116
8.10	Adjustments to the Underlying Fund Shares.....	116
8.11	Rounding.....	117
8.12	Status of Employee Warrants.....	117
8.13	Responsibility of the Calculation Agent	118
8.14	Notices	118
8.15	Taxation	118
9.	TERMS AND CONDITIONS OF THE OFFER	124
10.	ADMISSION TO TRADING AND DEALING ARRANGEMENTS	125
11.	USE OF PROCEEDS.....	126
12.	THE UNDERLYING FUND SHARES OF THE EMPLOYEE WARRANTS	127
12.1	Description of the Underlying Fund Shares.....	127
12.2	Description of the Issuer of the Underlying Fund Shares (if member of the same group)	
130		
13.	THE UNDERLYING INDEX OF EMPLOYER WARRANTS.....	131
14.	THIRD PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS	
133		
15.	DOCUMENTS ON DISPLAY	134
ANNEX 1	135
Template for Final Terms	135
ANNEX 2	140
Prospectus of the Underlying Fund Shares of the Employee Warrants	140

IMPORTANT REMARKS

Potential investors in the Warrants and potential investors interested in this Offer are explicitly reminded that any investment involves financial risks. They are therefore advised to read this Base Prospectus, including the relevant Final Terms, carefully and in its entirety.

It is recommended that they consult about the Offer and the Warrants, and the risks related to any investment therein, with their legal, tax, investment and accounting advisors prior to making any investment decision.

Neither this Base Prospectus nor any other information supplied in connection with this Base Prospectus (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with this Base Prospectus should purchase any Warrants. Each investor contemplating purchasing any Warrants should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with this Base Prospectus constitutes an offer or an invitation by or on behalf of the Issuer or any other person to subscribe for or to purchase any Warrants.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with this Base Prospectus is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, inter alia, the most recently published annual and interim financial statements of the Issuer, when deciding whether or not to purchase any Warrants.

Every significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which may affect the assessment of the Warrants and which arises or is noted between the time when this Base Prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, shall be mentioned in a supplement to this Base Prospectus without undue delay, in accordance with Article 23 of the Prospectus Regulation. Accordingly, this Base Prospectus should be read and construed with any supplement hereto and with any other document or information incorporated by reference herein (if any).

No person is authorized to give any information or to make any representation not contained in or not consistent with this document or any other information supplied in connection with this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This document is to be read and construed in conjunction with any amendment or supplement hereto, with any Final Terms and with all documents which are deemed to be incorporated herein by reference.

The Warrants create options exercisable by the relevant holder. There is no obligation upon any holder to exercise his Warrant nor, in the absence of such exercise, any obligation on the Issuer to pay any amount to any holder of a Warrant, unless provided otherwise. The Warrants will be exercisable in the manner set forth herein and in the relevant Final Terms.

The Warrants of each issue may be sold by the Issuer at such time and at such prices as the Issuer may select. There is no obligation upon the Issuer to sell all of the Warrants of any issue. The Warrants of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer.

The Issuer shall have complete discretion as to what type of warrants it issues and when.

1. GENERAL DESCRIPTION OF THE PROGRAMME AND THE WARRANTS

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the Conditions of any particular Tranche of Warrants, the applicable Final Terms. This overview must be read as an introduction in conjunction with the other parts of the Base Prospectus (including any documents incorporated therein). Any decision to invest in the Warrants should be based on a consideration by the investor of the Base Prospectus as a whole.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980. Words and expressions defined in the “Terms and Conditions” shall have the same meanings in this overview, taking into account that certain definitions have a different meaning with respect to the Employer Warrants and the Employee Warrants.

INFORMATION APPLYING TO ALL WARRANTS

Issuer:	Belfius Bank SA/NV
Calculation Agent:	Belfius Bank SA/NV. The Calculation Agent will make calculations and determinations in relation to the Warrants as set out in the Conditions, including the calculation of the Cash Settlement Amount.
Depository:	Belfius Bank SA/NV will act as depository of the Warrants. Each (prospective) holder of Warrants must maintain a securities account and a cash account with the Depository for purposes of holding and transferring its Warrants and exercising its rights under its Warrants.
Listing and Admission to Trading:	The Issuer has not made an application for the Warrants to be listed and/or admitted to trading on a regulated market and the Issuer currently does not intend to make such application in the future.
Series and Tranches:	Warrants will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Warrants of each Series will all be subject to identical terms, except that the issue date and the issue price thereof may be different in respect of different Tranches.
Final Terms:	Each Tranche of Warrants will be the subject of the Final Terms which, for the purposes of that Tranche only, completes the Conditions of the Warrants. The Final Terms must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche

of Warrants are the Conditions of the Warrants as completed by the applicable Final Terms.

Form of Warrants:	A Warrant constitutes a contractual claim (<i>schuldvordering/créance</i>) against the Issuer. The Warrants will be represented exclusively by book-entry in the records of the Depositary. The Warrants cannot be physically delivered or transferred to another depositary.
Category of Warrants:	Two categories of Warrants are issued under this Programme: Employee Warrants and Employer Warrants. The category of each Tranche of Warrants will be specified in the Final Terms of the relevant Tranche. The terms and conditions applying to both categories are set out in Section 7 and 8 and are in principle identical for both categories of Warrants, unless specified otherwise in the applicable terms and conditions (e.g. the Underlying Value, market risk, taxation, settlement procedure, exercise period and procedure, purpose and ultimate beneficiary differs between both categories of Warrants) See " <i>Information applying to Employee Warrants only</i> " and " <i>Information applying to Employer Warrants only</i> " below for a general description of specific features of each category of Warrants.
Underlying Value:	<p>The Underlying Value of Employee Warrants are Underlying Fund Shares (see "<i>Information applying to Employee Warrants only — Underlying Fund Shares of Employee Warrants</i>").</p> <p>The Underlying Value of Employer Warrants is the Underlying Index (see "<i>Information applying to Employer Warrants only — Underlying Index of Employer Warrants</i>").</p>
Settlement:	Employee Warrants are physically settled (see " <i>Information applying to Employee Warrants only — Settlement of Employee Warrants</i> " below). Employer Warrants are settled in cash (see " <i>Information applying to Employer Warrants only — Settlement of Employer Warrants</i> " below).
Type of Warrants:	The Warrants are "American Style Warrants", which means that they can be exercised on any Business Day during the relevant Exercise Period (subject to the Conditions).
Exercise Procedure:	Warrants can be exercised during their Exercise Period in accordance with the applicable exercise procedure. See " <i>Information applying to Employee Warrants only — Exercise Procedure of Employee Warrants</i> " and " <i>Information applying to Employer Warrants only — Exercise Procedure of Employer Warrants</i> " below.
Exercise Period:	<p>The Exercise Period of a Warrant is each Business Day from (and including) the date as specified in the relevant Final Terms until (but excluding) the Maturity Date as specified in the relevant Final Terms.</p> <p>If a holder of Warrants does not exercise its Warrants before the Maturity Date (as specified in the relevant Final Terms), those Warrants will become void and expire worthless, without any indemnification, reimbursement or other payment due to the holder of those Warrants.</p>
Currency:	Payments in respect of the Warrants will be made in Euro.

Status of the Warrants:	Direct, unconditional and unsecured obligations of the Issuer and rank without any preference among themselves, <i>pari passu</i> with all other obligations of the Issuer of the same category. This category can be seen as the “ordinary creditors” and may be qualified as “Preferred Senior creditors”, being the creditors related under article 389/1, 1° of the banking law. Such creditors have a higher priority ranking than the so-called non-preferred senior creditors defined under article 389/1, 2° of the banking law.
Issue Price:	The Issuer will determine the Issue Price in the applicable Final Terms.
Cancellation upon change of law:	The Issuer will cancel the Warrants upon the occurrence of a change of law rendering illegal the execution by it of its obligations arising out of this Base Prospectus, the Warrants, the Conditions and/or the relevant Final Terms. In such case, the Issuer will pay the Fair Market Value (as determined by the Calculation Agent) to the holder of the relevant Warrants.
Taxation:	The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.
Governing law:	The Warrants and any non-contractual obligations arising out of or in connection with the Warrants are governed by and shall be construed in accordance with the laws of Belgium.
Selling Restrictions:	See Section “Subscription and Sale” below.

INFORMATION APPLYING TO EMPLOYEE WARRANTS ONLY

Employee Warrants:	Employee Warrants are warrants in respect of which the Final Terms specify that the category of Warrants is "Employee Warrants".
Purpose of the offer of Employee Warrants:	The Issuer may offer Employee Warrants from time to time to any kind of employer who wants to use the Employee Warrants as employee benefit. The Issuer and its subsidiaries may also subscribe to Employee Warrants in their capacity as employer.
Underlying Fund Shares of the Employee Warrants:	Class C shares of the compartment Belfius Equities Europe Conviction within Belfius Equities sicav, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises' number 0444.229.910 (Code ISIN/Code Trading: BE0945524651; Code Bloomberg: DEXBEUR BB). See section “The Underlying Fund Shares of the Employee Warrants” for a description of the Underlying Fund Shares.
Settlement of Employee Warrants:	<p>Upon exercise, Employee Warrants are physically settled. This means that, upon exercise of Employee Warrants, the Issuer will deliver a certain number of Underlying Fund Shares to the holder of the Employee Warrant against payment of the Strike Price by the Warrant holder to the Issuer.</p> <p>If the number of Underlying Fund Shares to be delivered upon exercise of Employee Warrants is lower than one (i.e. because the number of Employee Warrants of the same Series exercised by the same holder on the same day is below the Parity of those Employee Warrants), the Issuer will settle</p>

	Employee Warrants in cash by transfer to the cash account indicated by the holder of the relevant Employee Warrants, and no Underlying Fund Shares will be delivered to that holder.
Exercise Procedure of Employee Warrants:	<p>More information can be found in Condition 8.5 (Exercise Procedure) in the Section "Terms and Conditions of the Employee Warrants".</p> <p>A holder of Employee Warrants may exercise an Employee Warrant on each Business Day during the Exercise Period, by giving an Exercise Notice to the Issuer exclusively via an electronic platform managed by Belfius Bank and accessible by every holder of Employee Warrants.</p>
Exercise Costs of Employee Warrants:	There are no costs related to the exercise of Employee Warrants other than the ordinary charges related to the acquisition of the Underlying Fund Shares as may exist at such time. As of the date of this Base Prospectus, such costs do not exceed 2.5% of the amount so acquired, with a minimum of 100 EUR per transaction.

INFORMATION APPLYING TO EMPLOYER WARRANTS ONLY

Employer Warrants:	Employer Warrants are warrants in respect of which the Final Terms specify that the category of Warrants is "Employer Warrants".
Purpose of the offer of Employer Warrants:	The Issuer may offer Employer Warrants from time to time to any kind of employer who wants to use the Employer Warrants for its own purposes (such as hedging) in connection with employee benefit schemes set up by such employer for its employees and/or independent officers. Employer Warrants should not be offered to employees.
Underlying Index of the Employer Warrants:	MSCI Europe Net Total Return Index (M7EU). See section "The Underlying Index of the Employer Warrants" for a description of the Underlying Index.
Settlement of the Employer Warrants:	Upon exercise, Employer Warrants are settled in cash by payment of the Cash Settlement Amount (if any) by the Issuer to the holder of the Warrant. More information can be found in Condition 7.5 (Exercise Procedure) in the Section "Terms and Conditions of the Employer Warrants".
Cash Settlement Amount of the Employer Warrants:	The Cash Settlement Amount of Employer Warrants will be determined by the Calculation Agent on the basis of a comparison of the relevant Strike Price (as defined in the relevant Final Terms) and the level of the Underlying Index on or around the Actual Exercise Date (or, in case of "Averaging", the average level of the Underlying Index on the Averaging Dates specified in the relevant Final Terms). The Cash Settlement Amount can be lower than the Issue Price or even zero. See Condition 7.5.2 for the full calculation method.
Exercise procedure of Employer Warrants:	To exercise an Employer Warrant, the holder must submit an Exercise Notice to the Issuer during the Exercise Period in accordance with Condition 7.5 (Exercise Procedure for Employer Warrants) of Section 7 (Terms and Conditions of the Employer Warrants).
Exercise Costs of Employer Warrants:	There are no costs related to the exercise of Employer Warrants.

2. RISK FACTORS

(Annex 6.3 and 14.2 of Commission delegated regulation (EU) 2019/980)

The following section sets out certain aspects of the offering of the Warrants of which prospective investors should be aware of.

An investment in the Warrants involves a degree of risk. Prospective investors should carefully consider the risks set forth below and the other information contained in this Base Prospectus (including information incorporated by reference) before making any investment decision in respect of the Warrants. 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 Warrants or the Issuer's ability to fulfil its obligations under the Warrants. 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 prospects 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 Warrants issued under the Programme are also described below. The Issuer has assessed the most material risks, taking into account the negative impact (including any relevant mitigation measures) of such risks on the Issuer and the probability of their occurrence ("**Global Criticality**"). Each risk factor relating to the Issuer is followed by the Issuer's assessment of whether such Global Criticality can be assessed as high, medium or low.*

The Issuer believes that the factors described below represent the principal risks inherent in investing in Warrants issued under the Programme, but the inability of the Issuer to pay principal or other amounts on or in connection with any Warrants may occur for other reasons which are not known to the Issuer or which the Issuer deem immaterial at this time.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.

In case of doubt in respect of the risks associated with the Warrants and in order to assess their adequacy with their personal risk profile, investors should consult their own financial, legal, accounting and tax experts about the risks associated with an investment in these Warrants, the appropriate tools to analyse that investment, and the suitability of that investment in each investor's particular circumstances. No investor should purchase the Warrants described in this Base Prospectus unless that investor understands and has sufficient financial resources to bear the price, market, liquidity, structure, redemption and other risks associated with an investment in these Warrants. The market value of the Warrants can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Warrants.

2.1 Risks related to Belfius Bank

2.1.1 Belfius is exposed to risks in relation to its run-off portfolios (Global Criticality: Very High)

Belfius is exposed to risks in relation to its run-off portfolios, which originate from the period before its separation from the Dexia Group in 2011. These run-off portfolios are mainly comprised of (i) a portfolio of bonds issued by international issuers, particularly active in the public and regulated utilities sector (which includes UK inflation-linked

bonds) and ABS/RMBS, the so-called ALM Yield bond portfolio (with a notional value of EUR 2.9 billion as at 30 June 2024), (ii) 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, with a notional value of EUR 1.9 billion as at 30 June 2024) and (iii) a portfolio of interest rate derivatives with Dexia entities as counterparty and with other foreign counterparties (with a notional value of EUR 6.6 billion as at 30 June 2024). In this respect, please also refer to Section 6.5.3 “Group Center (GC)’s activities and results in the first half of 2024” and Section 6.5.3(ii) “Derivatives portfolio” of Section 6 “Belfius Bank SA/NV”.

There can be no assurance that the risk profile of the run-off portfolios will not deteriorate during the remainder of their lifetimes. Despite the assumed underlying good creditworthiness of most exposures in these portfolios, their long-term maturity, their single-name and industry concentration and their liquidity profile result in a higher sensitivity of the fair value of those run-off portfolios to adverse macroeconomic conditions, for instance compared to Belfius’ core business portfolios. As an example, continued pressure in the UK water sector has resulted in the shift of an important counterparty to the non-investment grade range in the first half of 2024. Exposures benefit from credit guarantees from US monoliners and are well provisioned on net exposure basis. More information can be found in Section 6.6 “Post-balance sheet events – Thames water” of Section 6 “Belfius Bank SA/NV”. In view of the long maturity of the run-off portfolio, these concentrations are not expected to decline rapidly, however derisking opportunities are continuously considered.

A deterioration of Assured Guaranty’s credit quality would have a negative impact on risk-weighted assets and potentially cost of risk (“CoR”). Deteriorations or defaults within the run-off portfolios could lead to important losses, mainly where the position is not guaranteed or in case of a default of the guarantor. In case Belfius would be forced to sell those positions before maturities, it could in some cases also lead to significant losses. Belfius is also exposed to concentration risks related to certain other counterparties which could lead to significant losses in the event of default, particularly in cases where the current CoR materially underestimates the potential losses that could occur if a default materialises. For UK inflation-linked bonds, for example, the impact in case of default can be exacerbated by a rupture in the hedge relation between the bond and the inflated swap used to cover the cash flows.

Although Belfius monitors its run-off portfolios closely and conducts annual stress tests, if these risks were to materialise or if Belfius were unable to manage its credit and market risks related to these portfolios effectively, its business, results of operations, financial condition and prospects could be materially adversely affected.

2.1.2 Changes in (future) profitability may have an adverse effect on Belfius (Global Criticality: High)

Changes in the profitability and in the expectations about the future profitability can influence the secondary market value of Belfius’ liabilities, affect its reputation and implementation of its strategy.

A large number of factors could trigger profitability issues for Belfius. General economic and geopolitical environment as well as the monetary policy are among the most important factors determining bank profitability. An economic downturn or recession could create adverse effects on the financial performance in several of Belfius’ segments, particularly

in sectors that are currently more vulnerable, such as commercial real estate or the public sector, as well as certain individual files.

The intense competition in the banking market is causing a strain on the overall profitability. Loans are being issued at very low margins and commercial funding has become more expensive. Such increase is illustrated by the competition among financial institutions to attract the funds being released from the maturing 2023 State Bond. This competition is resulting in financial institutions offering higher interest rates or returns to entice customers to deposit their funds in term deposits. Furthermore, there is a risk associated with changes in the fiscal regime of saving products which could additionally impact clients' preferences. The adverse effect of such pressures could be exacerbated by potential changes in the current prudential regulations, all of which could have a negative impact on Belfius' business, results of operations, financial condition and prospects.

The currently inverted yield curve (with longer terms interest rates remaining lower than the current short term rates) is also affecting the transformation margin. This margin, which Belfius earns by, for example, borrowing on a short-term basis and issuing mortgage loans on a longer-term basis, is being squeezed, resulting in a negative impact on profitability, especially in highly competitive segments such as mortgages. If the re-inversion of the curve is delayed, preferences for short term products may regain and affect Belfius' net interest income. In relation to this interest rate risk, please also refer to Section 6.7.5(ii) of Section 6 "Belfius Bank SA/NV".

In Belfius' business and general management activities (including the management of its liquidity and yield portfolios), interest rate risk arises from the different re-pricing characteristics of its assets and liabilities. Interest rates affect the cost and sources of funding available to Belfius, product margins and, in turn, its net interest margin and revenue. Interest rates also affect the Belfius' net interest income, impairment levels and customer affordability. In some activities, and in line with general financial market practices, Belfius has balance sheet hedges in place that are sensitive to an interest rate that is not fully and perfectly correlated to the interest rate risk that it is meant to hedge. This results in residual basis risk.

The uncertainty regarding the evolution of interest rates, fierce competition in pricing of loans and liabilities among peers, potential new competitors such as the future Euro digital currency, and changes in clients' behaviours are all key risks that need to be considered in the interest rate risk management strategy and which can impact Belfius' performance and profitability.

2.1.3 Belfius' activities are subject to non-financial risks, including operational, reputational, compliance and legal risks (Global Criticality: High)

Non-financial risk ("NFR") must be understood as a broad umbrella covering all risks except "financial risks" (the latter encompassing market, ALM, liquidity, credit and insurance risks). NFR covers, among others, operational risks (including in relation to fraud, HR, IT, IT-security, business continuity, outsourcing, data-related and privacy) as well as (but not limited to) reputational, compliance, legal, tax and ESG risks. If any of these risks materialises, this may have an adverse impact on Belfius' business, results of operations, financial condition and prospects.

Any disruptions to Belfius' operational processes or IT systems, including as a result of internal or external fraud, hacking or other cybercrime, or the adoption of or migration to new systems could adversely affect the overall operational or financial performance

of Belfius' business, as well as harm its reputation and/or attract increased regulatory scrutiny and intervention (including sanctions), any of which could have a material adverse effect on its business, results of operations, financial condition and prospects.

The following NFR can be highlighted as the most relevant for Belfius:

- Information security and incidents: data and information face several threats, including the loss of integrity, the loss of confidentiality and unplanned unavailability;
- Data privacy: Belfius is subject to regulation regarding the processing (including disclosure and use) of personal data. Belfius processes significant volumes of personal data relating to customers (including name, address and bank details) as part of its business, some of which may also be classified under legislation as sensitive personal data. Belfius therefore must comply with strict data protection and privacy laws and regulations (e.g. GDPR);
- Fraud risk: internal, external and mixed fraud schemes which could result in losses to Belfius;
- Outsourcing risk: Belfius is dependent on the performance of third-party service providers for critical aspects of its business. If any of its third-party service providers fails to provide the agreed level of service, or if Belfius is unable to renew its licences, maintenance agreements, outsourcing agreements or any other material third-party service agreements on acceptable terms, it could face a number of adverse outcomes, such as monetary damages, customer redress and/or litigation, which could have a material adverse impact on Belfius' business, results of operations, financial condition and prospects;
- Business continuity covering sudden and gradual business continuity issues;
- Compliance & anti-money laundering ("AML") covering compliance with deontology and ethics, market integrity, rules of conduct, and other compliance risks.
- Furthermore, Belfius is required to comply with a wide range of evolving laws and regulations, and if it fails to do so, it could become subject to regulatory actions, including monetary damages, fines or other penalties, regulatory restrictions, civil litigation, criminal prosecution and/or reputational damage. In this respect, please also refer to Section 6.10 "Litigation" of Section 6 "Belfius Bank SA/NV".

If any of these risks would occur, Belfius could be subject to investigative or enforcement actions by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations and/or reputational damage or damage to its brands. For example, on 4 September 2024 Belfius Bank concluded a settlement (*règlement transactionnel*) with the FSMA consisting of the payment of an amount of EUR 1 million by Belfius Bank, its commitment to reinforce its legal risk management and a publication, by name, on the FSMA's website. For further information, see Section 6.11.1 "Composition of the Management Board and the Board of Directors" of Section 6 "Belfius Bank SA/NV".

These events could further result in the loss of the goodwill of its customers and deter new customers, all of which could have a material adverse effect on Belfius' business, results of operations, financial condition and prospects.

2.1.4 Belfius is subject to credit risk in respect of customers and counterparties, which may be amplified by a concentration risk (Global Criticality: Medium)

The credit risk arising from changes in credit quality and the recoverability of loans, bonds or other amounts due from customers and counterparties is inherent in a wide range of Belfius' businesses. Such risk can arise from variations in the creditworthiness of borrowers or issuers of financial instruments that Belfius owns, as well as other counterparties, and the possible inability to recover amounts due from these borrowers, issuers and counterparties. Belfius is also exposed to the risk of non-performance by third parties such as trading counterparties, counterparties under swaps and credit and other derivative contracts, issuers of securities which Belfius holds, customers, clearing agents and clearing houses, exchanges, guarantors, insurers and reinsurers and other financial intermediaries, securities or other assets.

Credit risk is highly correlated with the general economic situation. An economic downturn could lead to increased levels of credit risk and loan loss provisions in all Belfius' business segments. In downturn periods, Belfius' P&L can be negatively impacted by losses on its loan book due to increased loan loss provisions (with expected credit losses exceeding Belfius' best estimates) and write-offs. Rating downgrades, rising capital charges for defaulted assets and a growing stock of non-performing loans could lead to higher capital consumption.

While the overall credit risk remains moderate at Belfius, certain categories of exposures are subject to higher credit risk than others. The credit quality of Belfius' E&E loan portfolio, amounting to EUR 63.4 billion as at 30 June 2024, can be measured through several metrics:

- the overall loan credit quality in the E&E segment remained stable (with an average probability of default ("PD") of 1.65% as at 30 June 2024 compared to 1.64% as at 31 December 2023), with a decelerating growth of watchlist volumes;
- the loan production, especially in Corporate Banking, continued to be very dynamic with a good average credit quality driven by better than average rated large tickets, while interest rate sensitive activities such as real estate and leveraged transactions represented a reduced share;
- bankruptcies have returned to pre-Covid levels, with regional and sectoral differences with a prominence of SME-companies in sectors such as construction, transportation (including car dealers), hospitality and catering. This increase has resulted in rising non-performing loans ("NPL") levels. In this respect, please also refer to Section 6.7.4 "Asset quality – Asset quality ratio" of Section 6 "Belfius Bank SA/NV".

Furthermore, the commercial real estate sector is currently facing significant challenges, triggered by low demand, high interest rate and an inflationary environment, leading to higher supply in construction and stress on the funding capabilities of the commercial real estate actors.

As a result of geographical concentration of its activities, Belfius is particularly exposed to the risk of adverse economic and political conditions emerging in Belgium. The total relative credit risk exposure on counterparties situated in Belgium is 85.8% as of 30 June 2024 with the slight decline from 86.1% at the end of 2023. Any deterioration in the economic environment in Belgium could lead to an increase in Belfius' cost of risk and its impaired loan book, for example as a result of an increase in unemployment rates and/or decreases in house prices. Furthermore, due to its significant long-dated exposures to Italian sovereign bonds, Belfius is also exposed to

the risk of adverse economic and political conditions in Italy. Consequently, a material deterioration in Italy's financial situation could have a negative impact on Belfius' solvency and increase its income volatility.

Belfius may also be particularly exposed to the risk of adverse economic conditions in specific Belgian geographic regions. For example, its lending to the public and social sector is, in relative terms, more weighted towards Wallonia and Brussels, and could therefore be disproportionately affected by the emergence of adverse conditions in those regions and the financial impact of new political state-reforms. In addition, Belfius has exposures to the Belgian state, the Flemish Community, the French Community, the Brussels Capital Region and Service Public de Wallonie.

Changes in budgetary, subsidy and taxation policies may affect Belfius' lending to public and not-for-profit institutions, such as hospitals. General hospitals have been investing considerable amounts over the past few years, specifically in larger scale new hospital buildings. These investment efforts have contributed to a larger indebtedness level. Furthermore, the financial situation of hospitals was affected by the Covid-pandemic and the industry remains confronted with important labour challenges. As hospitals have been able to generate sufficient cash flows, their overall financial structure has at this stage not been materially affected. However, their recurring results have since several years come under pressure and overall profitability of the sector remains low, which may lead to challenges with their indebtedness levels.

Current coverage of counterparty exposures provided by posted and/or covenanted collateral may prove insufficient or inadequate, or Belfius may be unable to enforce collateral due to factors such as inadequate documentation, legal uncertainty, unfavourable judgments, client fraud or economic deterioration which would significantly reduce the value of collateral. This risk is most prevalent in the businesses and operations of Belfius that rely on sufficiency of collateral, such as in collateralised derivatives, in mortgage and commercial real estate lending, and in general investment loans. Bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failures or other factors may cause Belfius' counterparties to default on their obligations towards Belfius.

Belfius could also be exposed to financial risk stemming from the disruption of a client's operation as a result of environmental, social or governance ("ESG") concerns, which are becoming increasingly important in certain industries. If not managed properly, these could affect a client's ability to pursue its business activity and therefore meet its financial obligations, which could drive down the value of a client's collateral in the context of a transaction.

In a context of continued economic and geopolitical uncertainties, Belfius maintains a sound level of provisioning for credit risk. "Overlay for economic uncertainties and vulnerable exposures" at the end of June amounted to EUR 134 million, constituted from:

- EUR 46 million for macroeconomic factors;
- EUR 88 million for vulnerable exposures.

If Belfius is unable to manage its credit risk effectively, its business, results of operations, financial condition and prospects could be materially adversely affected. Please also refer to Section 6.7.2 "Exposure to credit risk" of Section 6 "Belfius Bank SA/NV" for additional information on credit risk exposures, the quality of the portfolio and the Cost of Risk evolution.

2.1.5 Belfius is subject to risks affecting its liquidity (Global Criticality: Medium)

Liquidity risk consists of the risk that Belfius will not be able to meet both expected and unexpected current and future cash flows and collateral needs. In this respect, please also refer

to Section 6.7.6 “Liquidity risk” of Section 6 “Belfius Bank SA/NV” for more information on the liquidity risk profile of Belfius and the management thereof.

The liquidity risk of Belfius is mainly stemming from:

- commercial funding collected from customers and the way these funds are allocated to customers through different types of loans/products;
- the volatility of collateral that is to be deposited at counterparties as part of the CSA framework for derivatives and repo transactions (so called cash & securities collateral);
- the value of the liquid reserves by virtue of which Belfius can collect funding on the repo market and/or from the ECB;
- the capacity to obtain interbank and institutional funding; and
- the concentration risk of funding sources, counterparties and maturities.

Conditions may arise constraining Belfius’ access to funding, including a loss of confidence by depositors, “war on cash” by competitors or curtailed access to wholesale funding markets, and may result in Belfius being required to seek alternative funding source which would constrain funding or liquidity opportunities for Belfius over a longer period and/or in material amounts.

Liquidity risk is inherent in much of Belfius’ business. Each asset purchased and liability sold has unique liquidity characteristics. Some assets have high liquidity, in that they can be converted into cash relatively quickly, while other assets, such as privately placed loans, mortgage loans, UK long-term bonds, property and unlisted equities, have comparatively low liquidity. Market downturns typically lead to even lower liquidity for these assets. These downturns may also reduce the liquidity of those assets which in normal market circumstances are more liquid, as occurred following the financial crisis with the markets for asset-backed securities relating to real estate and mortgage loans, and other collateralised debt and loan obligations.

In periods of increasing illiquidity of an increasing amount of assets in the financial markets, Belfius may be unable to sell or buy assets at market efficient prices and may therefore realise lower sale prices potentially leading to investment losses, or have to pay higher acquisition prices potentially leading to opportunity losses. In addition, increasingly illiquid markets could result in Belfius being required to hold higher levels of liquid but hence lower yielding assets in its liquidity buffer, or having to raise or hold additional funds for operational purposes through additional unprofitable financings. Please also refer to Section 6.7.6 “Liquidity risk” of Section 6 “Belfius Bank SA/NV” for more information on Belfius’ liquidity reserves.

The ALM liquidity bond portfolio is part of Belfius Bank’s total LCR liquidity buffer and is deemed to be well diversified with high credit and liquidity quality. As at 30 June 2024, the ALM liquidity bond portfolio stood at EUR 8.4 billion, up by EUR +0.6 billion or +7.7% compared with 31 December 2023. As at 30 June 2024, the portfolio was composed of sovereign and public sector bonds (60%), covered bonds (35%), corporate bonds (5%) and asset-backed securities (<1%). As at 30 June 2024, Belgian and Italian government bonds in the ALM liquidity bond portfolio amounted to EUR 1.6 billion and EUR 0.9 billion, respectively. For further information, please refer to Section 6.5.3(i) “Bond Portfolio” of Section 6 “Belfius Bank SA/NV”.

However, despite the current liquidity buffer, if Belfius were to face difficulties in accessing funding, including, for example, as a result of competitive pressures on savings, or in meeting

the aforementioned liquidity ratios, its business, results of operations, financial condition and prospects could be materially adversely affected and the impact would in such case be high.

Belfius' customers' assets under management might also be affected by increasing illiquidity in financial markets. In the event of serious stress, Belfius' customers may withdraw their funds from investments in mutual funds or other securities in material amounts and in short time frames, in a way that Belfius might be inclined to provide financial support in relation to its asset management business on reputational or commercial grounds, and beyond or in the absence of any contractual obligations, which it refers to as "step-in risk". Any of the foregoing could have a material adverse effect on Belfius' business, results of operations, financial condition and prospects.

2.1.6 Belfius is subject to fluctuations caused by market risks (Global Criticality: Low)

Belfius is exposed to the risk that changes in market prices or rates, including changes in and increased volatility of interest rates, inflation rates, credit and basis spreads, foreign exchange rates, equity, commodity prices and prices for bonds and other instruments will adversely impact its business, results of operations, financial condition and prospects. Other risk factors like correlations or mean reversions related to the above asset classes may also affect Belfius' trading portfolio.

Belfius also faces market risks stemming from credit spread evolutions, especially on its bonds and uncollateralised derivatives portfolios, as the fair value of these financial instruments could fall due to credit spread widening and cause Belfius to record mark to market losses at the time of sale or through fair value adjustments through its statement of income. In a distressed economic or market environment, the fair value of certain of Belfius' exposures may be volatile and more difficult to estimate because of market illiquidity. Proxy hedges in place may also appear inefficient in case of market stress or idiosyncratic issues. Valuations in future periods, reflecting the then-prevailing market conditions, may result in significant negative changes in the fair value of these exposures, which could have a material adverse impact on Belfius' business, results of operations, financial condition and prospects.

The Value-at-Risk ("VaR") used for internal limit control was much less volatile in 2023 and in the first half of 2024 compared to 2022. The VaR consumption as at 30 June 2024 stood at a relatively low level (EUR 10.4 million compared to the limit of EUR 26.3 million), with the maximal consumption in the first half of 2024 being limited as well (EUR 14.2 million).

In this respect, please also refer to Section 6.7.5 "Market risk" of Section 6 "Belfius Bank SA/NV".

2.2 Risks related to the Warrants

2.2.1 Risks related to the Nature of the Warrants

2.2.1.1 Liquidity Risk

There is no assurance that an active trading market for the Warrants will develop. Neither is it possible to predict the price at which Warrants will trade in the secondary market or whether such market will be liquid or illiquid.

The Issuer may, but is not obliged to, list Warrants on an Exchange or MTF. No application is made to list the Warrants on an Exchange.

The Warrants can be freely transferred to any third party, except that (i) Warrants may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons and (ii) Employer Warrants may also not be offered, sold or

delivered in Belgium to “consumers” (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique / Wetboek van economisch recht*).

2.2.1.2 Bail-in of senior debt and other eligible liabilities, including the Warrants

Given the entry into force of the bail-in regime, the Warrant Holders may lose some or all of their investment 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 subordinated debt, if any, and senior debt (including contingent liabilities such as the Warrants), after having written down or converted Tier 1 capital instruments and Tier 2 capital instruments. The bail-in power will enable the Resolution Authority to recapitalise a failing institution by allocating losses to its shareholders and unsecured creditors (including the Warrant Holders) 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), it is expected that the Resolution Authority will be able to exercise its bail-in powers if the following (cumulative) conditions are met:

- 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:
 - 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;
 - 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;
 - 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;
 - Belfius Bank requests extraordinary public financial support,
- 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
- 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.

Investors should furthermore note that, on 18 April 2023, the European Commission adopted a proposal to adjust and further strengthen the EU's existing bank crisis management and deposit insurance (CMDI) framework, with a focus on medium-sized and smaller banks. The proposal would enable authorities to organise the orderly market exit for a failing bank of any size and business model, with a broad range of tools. In particular, it would facilitate the use of industry-funded safety nets to shield depositors in banking crises, such as by transferring them from an ailing bank to a healthy one. Such use of safety nets must only be a complement to the banks' internal loss absorption capacity, which remains the first line of defence. Investors should note that a final reform may have an impact on the current supervisory and resolution powers applicable to credit institutions (such as Belfius Bank). If implemented as proposed, one element of the proposal would mean that the Warrants will no longer rank *pari passu* with any deposits of Belfius Bank. Instead, the Warrants would rank junior in right of payment to the claims of all depositors. As such, there may be an increased risk of an investor losing all or some of its investment.

2.2.1.3 Warrants may not be a suitable investment for all investors

The occurrence of fluctuations or the non-occurrence of anticipated fluctuations in the price of the Underlying Value will disproportionately affect the value of the Warrants and may lead to the Warrants expiring worthless.

Purchasers of Warrants risk losing their entire investment if the Underlying Value does not perform as anticipated. A Warrant is an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realize a return upon his or her investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Value. Assuming all other factors are held constant, the more a Warrant is 'out-of-the-money' (i.e. a call option with a strike price that is higher than the market price of the underlying asset) and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment.

The Warrants do not entitle the Warrant Holders to receive a coupon payment or dividend yield and therefore do not constitute a regular source of income. Possible losses in connection with an investment in the Warrants can therefore not be compensated by other income from the Warrants.

The Warrant has a leverage effect. This means that any variation in the price of the Underlying Value is in theory amplified. Therefore, the Warrants involve a high degree of risk. The leverage effect, means that the investment of an amount in Warrants compared to a direct investment of the same amount in the Underlying Value may result in significantly higher gains but also in significantly higher losses. The (non-)occurrence of anticipated fluctuations in the price of the Underlying Value may disproportionately affect the value of Warrants. Warrants may expire worthless if the Underlying Value does not perform as anticipated. If not exercised in accordance with the Terms and Conditions during the Exercise Period, a Warrant will become void and expire worthless. In order to recover and realize a return upon its investment, a Warrant Holder must be correct about the direction, timing and magnitude of an

anticipated change in the value of the Underlying Value. If not exercised optimally, Warrant Holders may occur a loss (by example, if when exercising the Warrant on a date prior to its Maturity Date, the amount received upon exercise is smaller than the remaining value of the Warrant after that date). Warrant Holders should also consider that the return on the investment in Warrants is reduced by the costs in connection with the purchase, exercise and/or sale of the Warrants. The loss born by the Warrant Holder is limited to the original premium paid to acquire the Warrants.

A Warrant's leverage effect is determined by applying the following formula:

$$(\text{Leverage} = \partial P / \partial S \times S / P)$$

where:

S = the price of the Underlying Value

P = the value of the Warrant

The ratio $\partial P / \partial S$, which is called the Delta of the Warrant, is the degree to which the Warrant changes value divided by the degree to which the Underlying Value changes value. $\partial P / \partial S$ is not a constant, and the ratio changes throughout the term of the Warrant.

As and when the leverage effect approaches 1, a Warrant behaves more and more like the Underlying Index and the risk associated with the Warrant is therefore almost the same as the risk associated with holding the Warrant's Underlying Value.

The leverage moves towards 1 as and when, among other things, the Underlying Value rises far away from the exercise price.

For this Programme, the initial leverage is significantly higher than 1. This is expected to remain so for a large part of the lifetime, or even the entire lifetime, of the Warrant (cfr 8.6.2. Information relating to the behaviour of the Employee Warrants).

In addition, more than one Warrant may be necessary to obtain the closing value of the Underlying Value at the payment of the Strike Price. The number of Warrants necessary to obtain the closing value of the Underlying Value at the payment of the Strike Price (the "Parity") will be specified as such in the applicable Final Terms.

2.2.1.4 The influence of trading or hedging transactions of the Issuer on the Warrants

The Issuer may in the course of its normal business activity engage in trading in the Underlying Value. In addition, the Issuer may conclude transactions in order to hedge itself partially or completely against the risks associated with the issue of the Warrants. These activities of the Issuer may have an influence on the market price of the Warrants. A possibly negative impact of the conclusion or dissolution of these transactions on the value of the Warrants cannot be excluded.

2.2.1.5 Change of law

The Terms and Conditions of the Warrants are, save to the extent referred to therein, based on Belgian law in effect as at the date of issue of the relevant Warrants. No assurance can be given as to the impact of any judicial decision or changes to the laws in Belgium, other jurisdictions (such as FATCA under US law) or on a supranational level (e.g. EU Financial Transaction Tax) or administrative practice after the date of issue of the relevant Warrants. Investors should note that the provisions of the Terms and Conditions contain certain provisions dealing with a change of law. Such provisions will be applied, in accordance with the law in force at the relevant time.

Any relevant tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Warrants may change at any time (including during any subscription period or the Exercise Period of the Warrants). Any such change may have an adverse effect on a Warrant Holder, including that (i) the Warrants may be cancelled before their Maturity Date due to whatsoever change of law resulting in the Issuer no longer being legally entitled to execute its obligations arising from this Base Prospectus and the relevant Final Terms, (ii) the liquidity of the Warrants may decrease, and/or (iii) the tax treatment of amounts payable or receivable by or to an affected Warrant Holder may be less than otherwise expected by such Warrant Holder.

2.2.1.6 Potential conflicts of interest

The Issuer and the Calculation Agent may also engage in trading activities (including hedging activities) related to any Underlying Value (or, in case of the Underlying Fund Shares, the Underlying Fund Shares' holdings or, in case of the Underlying Index, the Underlying Index' components) and other instruments or derivative products based on or related to any Underlying Value (or its holdings or components) for its proprietary account or for other account under its management. The Issuer and the Calculation Agent may also issue other derivative instruments in respect of any Underlying Value (or its holdings or components). The Issuer and the Calculation Agent may also act as underwriter in connection with future offerings of securities relating to any Underlying Value (or its holdings or components) or may act as financial adviser to certain issuers of securities that are part of the Underlying Value or in a commercial banking capacity for certain issuers of securities that are part of the Underlying Value. Such activities could present certain conflicts of interest, could influence the levels of the Underlying Value or securities referring to the Underlying Value and could adversely affect the value of such Warrants. In case the Calculation Agent should make determinations and calculations in respect of the Warrants, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner, but not necessarily in the interest of the Warrant Holder.

2.2.2 Risks related to the Market Risk and Underlying Value

Due to fluctuating supply and demand for the Warrants, there is no assurance that their value will correlate with movements of the Underlying Value. Prospective purchasers intending to use the Warrants to hedge against the market risk associated with other investments should recognize the complexities of utilizing Warrants in this manner. For example, the value of the Warrants may not exactly correlate with the value of the Underlying Value or with such other instrument for which a holder uses the Warrants as a hedge.

An investment in Warrants entails significant risks that are not associated with similar investments in a conventional financial instrument. Potential investors should be aware that:

- (a) the market price of such Warrants may be volatile;
- (b) in relation to the **Employer Warrants**, the Underlying Index:
 - (i) may be subject to significant changes, whether due to the composition of the index itself, or because of fluctuations in value of the indexed assets;
 - (ii) may cease to exist entirely or may cease to be published, in which case it may be substituted with a replacement index or recalculated by the Calculation Agent. This substitution or recalculation may not reflect the exact original index. In the case where no substitute index exists or the Calculation Agent is unable to recalculate the Underlying Index, the cancellation of the Underlying or the

cessation of publication of the Underlying Index may lead to cancellation of the relevant Warrant.

- (c) in relation to the Employee Warrants, the Underlying Fund Shares:
 - (i) may be subject to significant changes, whether due to the composition of the Underlying Fund Shares, or because of fluctuations in value of the holdings underlying the Underlying Fund Shares;
 - (ii) may cease to exist entirely, in which case it may be substituted with a replacement fund in the gamma of the Issuer which most closely resemble the Underlying Fund Shares as determined by the Calculation Agent. In the case where no substitute fund can be found, the cancellation of the Underlying may lead to cancellation of the relevant Employee Warrant.
- (d) the holder of Warrants could lose all or a substantial portion of its investment in the Warrants (whether payable at maturity or upon redemption or repayment);
- (e) if a multiplier greater than one or some other leverage factor is applied to the Warrants, the effect of changes in the Underlying Value on the value of the Warrant and the return realised by exercising the Warrants will be magnified;
- (f) the risks of investing in a Warrant encompass both risks relating to the Underlying Value and risks that are linked to the Warrant itself;
- (g) it may not be possible for investors to hedge their exposure to these various risks relating to Warrants.

Please note that the minimum market risk of the **Employee Warrants** spans at least one day because the holders of Employee Warrants can transfer the Employee Warrants at any time. In theory, the same is true for the **Employer Warrants**. However, due to the purpose for which the Employer Warrants will most often be bought, i.e. hedging of an employee benefit scheme set up by such holder of the Employer Warrants for its employees and/or independent officers, most holders of the Employer Warrants will hold onto the Employer Warrants for at least one year. Consequently, the market risk of Employer Warrants is relatively greater than that of Employee Warrants.

The secondary market, if any, for Warrants will be affected by a number of factors, independent of the creditworthiness of each Issuer and the value of the relevant Underlying Value, including the volatility of the applicable Underlying Value and the time remaining to the expiration of the Warrant. The value of the applicable Underlying Value depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Additionally, in relation to **Employer Warrants**, if the formula used to determine the Cash Settlement Amount of Employer Warrants contains a multiplier or leverage factor, the effect of any change in the applicable Underlying Index will be increased. The historical experience of the relevant Underlying Index should not be taken as an indication of future performance of such Underlying Index during the term of any Employer Warrant.

Transactions between Belfius Bank and third parties could impact the performance of any Warrant, which could lead to conflicts of interest between Belfius Bank and the holders of its Warrants.

Belfius Bank is active in the international securities and currency markets on a daily basis. It may thus, for its own account or for the account of customers, engage in transactions directly

or indirectly involving assets that are (holding or component of the) Underlying Value of the Warrants and may make decisions regarding these transactions in the same manner as it would if the Warrants had not been issued.

The Issuer and its affiliates may on the issue date of the Warrants or at any time thereafter be in possession of information in relation to any reference assets that may be material to holders of any Warrant and that may not be publicly available or known to (potential) investors in such Warrants. There is no obligation on the part of the Issuer in the Terms and Conditions of the Warrants to disclose any such business or information to (potential) investors in such Warrants.

3. CHOICES MADE BY THE ISSUER

According to Article 8 of the Prospectus Regulation, the Issuer has chosen to issue Warrants under a base prospectus. The specific terms of each Tranche will be set forth in the applicable Final Terms. In addition, the Issuer chooses as its home Member State the Kingdom of Belgium.

The Issuer has freely defined the order in the presentation of the required items included in the schedules and building blocks of the Commission delegated regulation (EU) 2019/980 according to which this Base Prospectus is drawn up. The chosen presentation is a consequence of the combination of Annex 6, Annex 14 and Annex 17 of Commission delegated regulation (EU) 2019/980. In order to enable the Warrant Holder to identify in the presentation below the corresponding provisions of Commission delegated regulation (EU) 2019/980, cross-references will be made to the relevant annexes of Commission delegated regulation (EU) 2019/980 and their subsections. Finally, any items which do not require, in their absence, an appropriate negative statement according to Commission delegated regulation (EU) 2019/980, are not included in the presentation when the Issuer so determines.

4. RESPONSIBILITY STATEMENT

(Annex 6.1 and 14.1 of Commission delegated regulation (EU) 2019/980)

Belfius Bank, with registered office at 1210 Brussels, Place Charles Rogier 11, Belgium, as Issuer, accepts responsibility for the information given in this Base Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

5. DOCUMENTS INCORPORATED BY REFERENCE

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

- the audited consolidated accounts of Belfius Bank for the years ended 31 December 2022³ and 31 December 2023⁴, including the reports of the statutory auditors in respect thereof;
- the disclosure document on “Alternative Performance Measures” (the “APM”) for the years ended 31 December 2022⁵ and 31 December 2023⁶;
- the half-yearly report ended 30 June 2024 (the “Half-Yearly Report 2024”) ⁷;
- the disclosure document on the APM for the half-year ended 30 June 2024⁸;

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

In accordance with Article 8(11) of the Prospectus Regulation, this Base Prospectus should also be read and construed in conjunction with the form of the Final Terms, the relevant Final Terms and the relevant Terms and Conditions of the Warrants from the previous base prospectus relating to the Programme which was approved by the FSMA on 24 October 2023 (and which is replaced and superseded by this Base Prospectus) with respect to any Warrant offered to the public and which offer continues after the expiration of such previous base prospectus under which it was commenced, which are incorporated by reference in this Base Prospectus.

Copies of all documents incorporated by reference in this Base Prospectus may be obtained without charge from the website of the Issuer at www.belfius.be. Potential investors in the relevant Warrants should be aware that any website referred to in this Base Prospectus does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised nor approved by the FSMA.

The tables below set out the relevant page references for:

- (i) the consolidated balance sheet, (ii) the consolidated statement of income, (iii) the consolidated statement of comprehensive income, (iv) the consolidated statement of change in equity (v) the consolidated cash flow statement, (vi) the notes to the consolidated financial statements, (vii) the

³ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Annual%20Report%20Belfius%20Bank%202022%20-%20ENG.pdf>.

⁴ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Annual-Report-2023-EN.pdf>.

⁵ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2022%20Alternative%20Performance%20Measures.pdf>.

⁶ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2023-APM.pdf>.

⁷ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/1H%202024%20Half-year%20report.pdf>.

⁸ <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/1H%202024%20APM.pdf>.

audit report on the consolidated accounts, (viii) the non-consolidated balance sheet, (ix) the non-consolidated statement of income, (x) the audit report on the non-consolidated accounts as well as the APM for the years ended 31 December 2022 and 31 December 2023; and

- (i) the unaudited consolidated balance sheet, (ii) the unaudited consolidated statement of income, (iii) the unaudited consolidated statement of comprehensive income, (iv) the unaudited consolidated statement of change in equity, (v) unaudited consolidated cash flow statement, (vi) the limited review report on the consolidated accounts and (vii) the notes to the consolidated interim financial statements of Belfius Bank for the period ended 30 June 2024 as well as the APM for the half-year ended 30 June 2024.

Solely the information listed in the tables below in respect of the annual reports for the years ended 31 December 2022 and 2023 and the Half-Yearly Report 2024 is incorporated by reference in the Base Prospectus. The other parts of the annual reports and the Half-Yearly Report 2024 are not incorporated by reference. They are either deemed not relevant for the investor or are already covered elsewhere in the Base Prospectus. The consolidated balance sheet and consolidated statement of income of Belfius Bank for the years ended 31 December 2022 and 2023 can also be found in Section 6 “Belfius Bank SA/NV.

Audited consolidated accounts of Belfius Bank for the financial years ended 31 December 2022 and 31 December 2023 and unaudited condensed consolidated accounts of Belfius Bank for the half-year ended 30 June 2024

Belfius Bank SA/NV			
	Annual Report 2022	Annual Report 2023	Half-Yearly Report 2024
	(English version audited)		(English version unaudited – condensed)
Consolidated balance sheet	261-262	164-166	91-92
Consolidated statement of income	263	167	93
Consolidated statement of comprehensive income	264-265	168-169	94-95
Consolidated statement of change in equity	266-270	170-174	96-100
Consolidated cash flow statement	271-272	175-176	101-102
Notes to the consolidated financial statements	273-420	177-344	103-176
Audit report on the consolidated accounts	421-426	345-353	177
Non-consolidated balance sheet	428-429	355-356	N/A
Non-consolidated statement of income	431-432	358-359	N/A
Audit report on the non-consolidated accounts	433 ⁹	N/A	N/A

⁹ The statutory report on the non-consolidated account is not included in the English version, but reference in such version is made to the French and the Dutch versions, available on these websites: <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/fr/Rapport%20annuel%20Belfius%20Bank%202022%20-%20FR.pdf> (French version – as from page 517) and <https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/nl/Jaarverslag%20Belfius%20Bank%202022%20-%20NL.pdf> (Dutch version – as from page 522).

**APM for the financial years ended 31 December 2022, 31 December 2023 and 30 June 2024 and
unaudited condensed consolidated accounts of Belfius Bank for the half-year ended 30 June 2024**

	Belfius Bank SA/NV		
	Alternative performance measures 2022	Alternative performance measures 2023	Alternative performance measures Half-Year 2024
common equity tier 1 ratio	1	1	1
tier 1 ratio	1	1	1
total capital ratio	1	1	1
leverage ratio	2	2	2
solvency II ratio	2	2	2
liquidity coverage ratio	2	2	2
net stable funding ratio	2	2	2
net interest margin	3	3	3
cost-income ratio	3	3	3
credit cost ratio	3	3	3
asset quality ratio	4	4	4
coverage ratio	4	4	4
return on equity	4	4	4
return on assets	4	4	4
return on normative regulatory equity	5	5	5
total savings and investments of commercial activities	5-6	5-6	5-6
total loans to customers	6	6	6
ALM liquidity bond portfolio	6	6	6
ALM yield bond portfolio	7	7	7
credit guarantee portfolio	7	7	7
funding diversification	7-8	7-8	7-8
life income margin	8	-	-
non-life expense ratio	9	8	8
non-life net loss ratio	9	9	9
insurance service expenses adjusted	-	9	9
adjusted results	10-11	9-10	9-10

6. BELFIUS BANK SA/NV

(Annex 6.4 of Commission delegated regulation (EU) 2019/980)

6.1 Belfius Bank profile

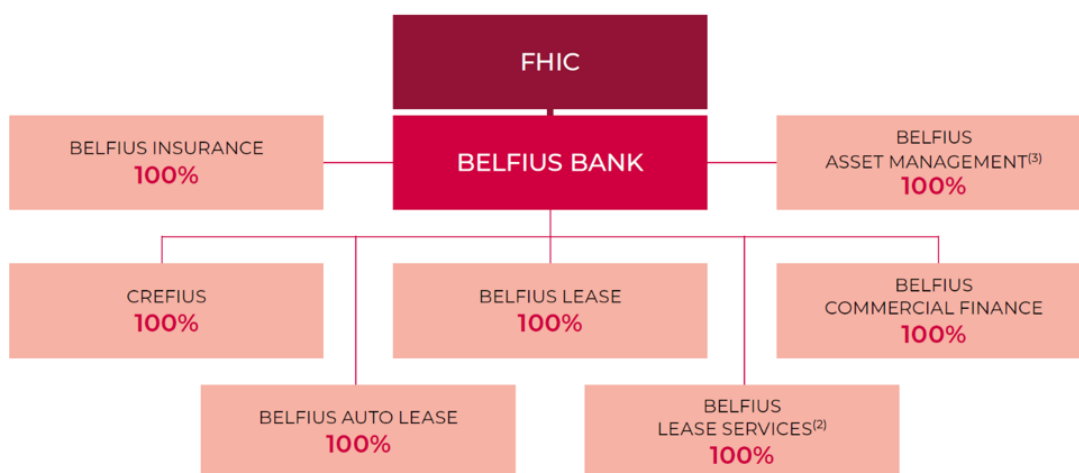
Belfius Bank SA/NV (the “**Issuer**” or “**Belfius Bank**”) is a limited liability company (*naamloze vennootschap/société anonyme*) established on 23 October 1962 for an unlimited duration and incorporated under Belgian law which collects savings from the public. The Issuer is licensed as a credit institution in accordance with the Banking Law. It is registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185 and has its registered office at 1210 Brussels, Place Charles Rogier 11, Belgium, telephone +32 22 22 11 11 and website <https://www.belfius.be>.¹⁰ Belfius Bank’s LEI code is A5GWL FH3KM7YV2SFQL84. The commercial name of the Issuer is Belfius Bank in English, Belfius Bank in Dutch and Belfius Banque in French.

The share capital of Belfius Bank as at 30 June 2024 was EUR 3,458,066,227.41 and is represented by 359,412,616 registered shares. The shareholding of Belfius Bank is as follows: 359,407,616 registered shares are held by the public limited 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 company Certi-Fed. Certi-Fed is a fully-owned subsidiary of FHIC. Belfius Bank shares are not listed.

At the end of June 2024, total consolidated balance sheet of the Issuer amounted to EUR 180 billion.

With an essentially Belgian balance sheet for its commercial activities and customers from all segments, Belfius Bank is in a position to act as a universal bank for twelve years now and to be “meaningful and inspiring for Belgian society”. Belfius Bank 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 Bank aspires to a sound financial profile that results in a solid liquidity and solvency position.

Simplified Group structure as at the date of this Base Prospectus⁽¹⁾



⁽¹⁾ For more details, see the list of subsidiaries in the consolidated financial statements in the 2023 annual report.

⁽²⁾ Belfius Lease Services operates under the same brand (logo) as Belfius Lease.

⁽³⁾ Following the strategic partnership with Candriam, one share of Belfius Asset Management is held by Candriam.

¹⁰ The information on this website does not form part of, and is not incorporated by reference into, this Base Prospectus, except where that information has been expressly incorporated by reference in this Base Prospectus.

Belfius Bank and its consolidated subsidiaries are referred to herein as “**Belfius**”.

6.2 Main commercial subsidiaries

The entities mentioned below are subsidiaries¹¹ of the Issuer.

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 2023, total consolidated balance sheet of Belfius Insurance amounted to EUR 19 billion.

Crefius

Company servicing and managing mortgage loans. At the end of 2023, total balance sheet of Crefius amounted to EUR 22 million.

Belfius Auto Lease

Company for operational vehicle leasing and car fleet management, maintenance and claims management services. At the end of 2023, total balance sheet of Belfius Auto Lease amounted to EUR 661 million.

Belfius Lease

Company for financial leasing and renting of professional capital goods. At the end of 2023, total balance sheet of Belfius Lease amounted to EUR 1,115 million.

Belfius Lease Services

Financial leasing and renting of professional capital goods to the self-employed, companies and liberal professions. At the end of 2023, total balance sheet of Belfius Lease Services amounted to EUR 3,039 million.

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 2023, total balance sheet of Belfius Commercial Finance amounted to EUR 1,414 million.

Belfius Asset Management

Company for administration and management of investment funds. At the end of 2023, total balance sheet of Belfius Asset Management amounted to EUR 185 million and assets under management amounted to EUR 30.7 billion.

6.3 Financial results¹²

6.3.1 Results 2023

Belfius’ consolidated net income reached EUR 1,115 million in 2023, driven by strong commercial dynamics and increasing income, within a persistently executed strategy supported by solid ALM management and despite inflationary pressures on the cost side.

¹¹ Total IFRS balance sheet before consolidation adjustments.

¹² Belfius, as integrated bank-insurer, has released its 2023 and first half 2024 results in accordance with the new accounting standard IFRS 17 with regards to insurance activities. Consequently, the balance sheet and P&L figures, as well as specific ratios, have been changed or redefined. All these changes have been implemented with retroactive effect to the 2022 results.

Total income amounted to EUR 4,050 million in 2023, up +9% or EUR +338 million compared to 2022 (EUR 3,712 million) thanks to:

- increase of Belfius' net interest income by +20% (EUR 2,108 million in 2023 compared to EUR 1,752 million in 2022) in a higher interest rate environment, driven by improving interest margin on non-maturing deposits and still supportive remuneration on the large liquidity buffer held in cash during the year. This overall growth of interest margin is somewhat softened by (i) a volume shift from non-maturing deposits towards term funding, (ii) pressure on new loan margins from general market delay between loan pricings and sharp increases of market interest rates and (iii) continued strong competition in the Belgian loan market;
- increasing net fee and commission income bank from EUR 757 million in 2022 compared to EUR 760 million in 2023, mainly thanks to increasing payment service and third-party product fees, as well as continuously growing fees from Non-Life insurance activities through the banking network;
- growing insurance pre-provision income contribution, despite lower financial income in higher interest rate environment leading to decreasing Life insurance income (EUR 456 million in 2023 compared to EUR 482 million in 2022) and thanks to higher Non-life & Health insurance income (EUR 866 million in 2023 compared to EUR 809 million in 2022), in line with sound portfolio growth;
- other income at EUR -140 million in 2023 compared to EUR -88 million in 2022, mainly stemming from higher bank levies in 2023 and the reversal of some provisions in 2022.

Insurance Service Expenses adjusted¹³ for directly attributable costs for insurance contracts and reinsurance amounted to EUR -708 million in 2023 compared to EUR -787 million in 2022. This improvement was mainly driven by Non-Life, thanks to the recalibration of the confidence interval to 77.5% and to the lower level of natural catastrophes' claims in 2023 while 2022 was impacted by the February 2022 storms, as well as to the impact of reduced inflation assumptions on Best Estimate calculation.

Belfius continued to develop its strong footprint in operational, commercial and financial terms, by investing in human talent and digital capital. The year 2023 has been marked by further investments in technology as well as in human capital. Costs¹⁴ went up by +7% at EUR 1,740 million in 2023 compared to EUR 1,620 million in 2022 due to inflationary pressures and these growth investments. However, thanks to the solid income evolution year-on-year, Belfius' C/I ratio¹⁵ further improved at 43% in 2023 compared to 44% in 2022.

All in all, the combination of strong income dynamics and improved insurance service expenses adjusted, despite growing operating expenses as well as continuing investments in commercial activities, ESG, IT and digitalisation, led to an increase in pre-provision income¹⁶ by +23%, to EUR 1,603 million in 2023 (compared to EUR 1,305 million in 2022).

¹³ Insurance Service Expenses Adjusted equal Insurance Service Expenses, plus Net Reinsurance Result, minus Operating Expenses allocated to Insurance Service Expenses.

¹⁴ Including directly attributable costs for insurance contracts.

¹⁵ Representing Costs (including costs directly attributable to insurance services) divided by Income.

¹⁶ Pre-provision income is pre-provision income before impairments on financial instruments and provisions for credit commitments and impairments on tangible and intangible assets.

In 2023, Belfius made again a detailed review of its credit risk portfolio and continued to calibrate its IFRS 9 provisions.

Belfius continues to evolve its credit risk provisioning in synchronisation with such transforming context, where inflationary pressures have had the hand over recession risk during the year 2023, and where economic growth continued to show more resilience than formerly anticipated in general.

The former best estimate “ex-ante provisioning” of expected losses due to the effects of the Covid-crisis, including expert based overlays for some Covid-impacted sectors, has been:

- slightly adjusted for improving economic outlooks (moving from EUR 124 million at the end of 2022 to EUR 88 million at the end of 2023), fully focusing again on forward looking assessment, and
- redirected from Covid-induced overlays for vulnerable sectors to Inflation and Energy related vulnerabilities.

Next to that, higher migration to stage 3 (mainly during the first half of 2023) has occurred, especially in the construction and manufacturing sectors (SME to mid-sized companies).

This led in 2023 to a negative cost of risk of EUR -109 million (net allowance), more in line than the past few years with historical terms, compared to EUR -105 million or a net allowance in 2022.

As a result, the net income before taxes amounted to EUR 1,493 million in 2023 compared to EUR 1,197 million in 2022.

The tax expenses amounted to EUR 376 million in 2023 compared to EUR 264 million in 2022, showing an effective tax rate in line with the statutory tax rate (25%). The higher IFRS taxes in 2023 are mainly the result of a higher consolidated result before tax than in 2022 and the limitation of the NTK¹⁷ deductibility to 20% since the start of the year (compared to 100% the previous years).

As a consequence, consolidated net income 2023 reached EUR 1,115 million compared to EUR 932 million in 2022. This is Belfius’ highest net income since its origins, back in 2011.

In terms of financial robustness, Belfius continues to combine dynamic growth with sound solvency, liquidity and risk metrics:

- the CET 1¹⁸ ratio stood at 16.0%, down 49 bps compared to the CET 1 ratio as of December 2022. This decrease over 2023 is mainly the result of higher regulatory risk exposures (EUR +5.4 billion to EUR 69.5 billion), partially compensated by higher CET 1 capital (EUR +539 million);
- this strong and solid CET 1 level is net of a 40% dividend pay-out ratio, hence a 2023 dividend of EUR 440.3 million¹⁹, thanks to which Belfius continued to support its

¹⁷ Belgian tax on credit institutions.

¹⁸ The pro forma of the CET 1 ratio, total capital ratio, leverage ratio and Net Asset Value takes into account the implementation of IFRS 17 as well as the IFRS 9 business model reassessment on 1 January 2023, where a reclassification of EUR 8.9 billion has taken place from the Belfius Insurance portfolio of loans and debt securities measured at amortised cost to loans and debt securities measured at fair value through other comprehensive income.

¹⁹ As decided by the Board of Directors of 21 March 2024 upon a proposal for dividend (as approved by the General Assembly of 24 April 2024) over 2023 year-end results.

commercial franchise development. Hence, the total cumulative amount of dividends since Belfius' origins back in 2011 amounts to EUR 2.5 billion;

- the total capital ratio stood at 19.14% compared to 19.76% at the end of December 2022;
- the leverage ratio increased to 6.5% compared to 6.2% at the end of December 2022. The increase is the result of the higher regulatory Tier 1 capital, and a lower leverage exposure;
- insurance activities also displayed continued solid solvency metrics, with a Solvency II ratio of 195% at the end of December 2023;
- at the end of December 2023, Belfius continued to show an excellent liquidity and funding profile with a Liquidity Coverage Ratio (“**LCR**”) of 139% and a Net Stable Funding Ratio (“**NSFR**”) of 128%;
- total shareholders' equity (Net Asset Value) further improved to EUR 11.7 billion at the end of December 2023 (compared to EUR 10.9 billion at the end of December 2022), as a result of strong financial results and favourable financial markets.

6.3.2 Results for the first half of 2024

Belfius' consolidated net income in the first half of 2024 stood at EUR 482 million (EUR 479 million in the first half of 2023) of which EUR 330 million came from Banking (EUR 364 million in the first half of 2023) and EUR 152 million came from Insurance (EUR 115 million in the first half of 2023). Such consolidated net income increase was driven by strong commercial dynamics and increasing income, within a persistently executed strategy supported by solid ALM management, and disciplined cost management.

Total income amounted to EUR 1,975 million in the first half of 2024, up +6% or EUR +105 million compared to the first half of 2023 (EUR 1,870 million) thanks to:

- decrease of the net interest income bank by -4% (EUR 1,005 million in the first half of 2024 compared to EUR 1,050 million in the first half of 2023) in higher interest rate environment, although benefitting from a positive reinvestment rate effect, due to (i) reduced interest income on lowering non maturing deposits, (ii) margin pressure on loans in a very competitive Belgian loan market, and (iii) absence of remuneration on the mandatory liquidity reserve held at National Bank of Belgium;
- increasing net fee and commission income bank from EUR 378 million in the first half of 2023 to EUR 391 million in the first half of 2024, mainly thanks to (i) increasing Asset Management service fees following strong market effect and positive organic growth, (ii) increasing Asset Management entry fees, resulting from higher production in mutual funds, as well as (iii) continuously growing fees from Non-Life insurance activities through the banking and independent DVV agents' networks;
- growing insurance pre-provision income contribution, thanks to higher financial income and higher insurance revenue leading to increasing Life insurance income (EUR 259 million in the first half of 2024 compared to EUR 211 million in the first half of 2023) and to growing Non-life & Health insurance income (EUR 449 million in the first half of 2024 compared to EUR 409 million in the first half of 2023), in line with sound portfolio growth;

- other income at EUR -129 million in the first half of 2024 compared to EUR -177 million in the first half of 2023, mainly stemming from lower bank levies in the first half of 2024 (from EUR -280 million in the first half of 2023 to EUR -218 million in the first half of 2024).

Insurance Service Expenses adjusted for directly attributable costs for insurance contracts and reinsurance amounted to EUR -360 million in the first half of 2024 compared to EUR -334 million in the first half of 2023. This increase is attributable to Non-Life and Health.

Belfius continued to develop its strong footprint in operational, commercial and financial terms, by investing in human talent and digital capital. The first six months of 2024 have been marked by further investments in technology as well as in human capital. Costs went up by +3% reaching EUR 871 million in the first half of 2024 compared to EUR 843 million in the first half of 2023 due to these growth investments. However, thanks to the solid income evolution year on year, Belfius' C/I ratio remained stable at 42% (with linear levies) in the first half of 2024.

All in all, the combination of strong income dynamics, despite increasing insurance service expenses adjusted and continuing investments in commercial activities, ESG, IT and digitalisation, led to an increase in pre-provision income by +7%, to EUR 744 million in the first half of 2024 (compared to EUR 694 million in the first half of 2023).

In the first half of 2024, Belfius made again a detailed review of its credit risk portfolio and continued to calibrate its IFRS 9 provisions.

EUR -155 million of allowances for exposures in default have been made, of which a few names in the portfolio in run-off and some major individual files in the Belgian economy. Next to this, small and medium sized businesses are contributing increasingly to the specific provisions. These specific provisions have been partly offset by EUR +103 million reversals in stages 1 and 2, due to (i) a reversal of a part of the ex-ante constituted Overlay for macroeconomic uncertainties and vulnerable exposures of EUR +60 million; and (ii) the reassessment of the other expected credit loss ("ECL") overlays for the risk pockets and global portfolio evolutions (rating migrations and movements in credit exposure), that account for EUR +43 million. As such, the applied ex-ante provisioning in recent years allowed to absorb allowances for default files and limits total Cost of Risk.

This led in the first half of 2024 to a negative cost of risk of EUR -52 million (net allowance), compared to EUR -17 million or a net allowance in the first half of 2023, moving back to more normalised through the cycle level.

As a result, the net income before taxes amounted to EUR 692 million in the first half of 2024 compared to EUR 676 million in the first half of 2023.

The tax expenses amounted to EUR 209 million in the first half of 2024 compared to EUR 196 million in the first half of 2023, showing an effective tax rate (30%) higher than the statutory tax rate (25%). The higher IFRS taxes in the first half of 2024 are mainly the result of a higher consolidated result before tax than in the first half of 2023 and of the non-deductibility of the NTK since early 2024, whereas 20% of the NTK was deductible in 2023.

As a consequence, consolidated net income in the first half of 2024 reached EUR 482 million, this is Belfius' highest half-yearly net income since its 2011 origins.

Belfius's loan portfolio was also well diversified in the first half of 2024 across Mortgage & Consumer (42%), Business & Corporate (38%) and Public & Social (20%) customers.

In terms of financial robustness, Belfius continues to combine dynamic growth with sound solvency, liquidity and risk metrics:

- the CET 1 ratio stood at 15.72%, down 23 bps compared to the CET 1 ratio as of 31 December 2023. This decrease of 23 bps over the first six months of 2024 is mainly the result of higher risk-weighted assets (“**RWA**”) (-41 bps), mostly because of required anticipative application of changes in non-retail models and commercial growth, partially offset by an increase in prudential CET capital (+18 bps);
- the total capital ratio stood at 19.43% compared to 19.14% at the end of December 2023;
- the leverage ratio remained at 6.5%, stable compared to the end of December 2023;
- insurance activities also displayed continued solid solvency metrics, with a Solvency II ratio of 197% end of June 2024 (in line with the level of 195% at the end of December 2023);
- at the end of June 2024, Belfius continued to show an excellent liquidity and funding profile with a LCR of 136% and a NSFR of 130%;
- total shareholders’ equity (Net Asset Value) slightly decreased to EUR 11.6 billion end June 2024 (compared to EUR 11.7 billion end December 2023), the negative impact of the dividend over the result for financial year 2023 has been partly offset by strong financial results.

6.4 Minimum CET 1 requirements (SREP)

Belfius Bank reports on its solvency position on a consolidated level and on a statutory level in line with the revised Capital Requirements Regulation and Directive, commonly referred to as CRR 2 and CRD 5:

- the minimum capital requirements (“Pillar 1 requirements”) as defined by Article 92 of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 (CRR 2);
- the capital requirements that are imposed by the SREP decision (Supervisory Review and Evaluation Process) pursuant to Article 16(2)(a) of Regulation (EU) No 1024/2013 and which go beyond the Pillar 1 requirements (“Pillar 2 requirements”);
- the combined buffer requirement as defined in Article 128(6) of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU (CRD 5).

Minimum CET 1 ratio Requirement

(in %)	2023	First half of 2024
Pillar I minimum	4.50%	4.50%
Pillar II requirement	1.204%	1.215%
Capital conservation buffer	2.50%	2.50%
Buffer for (other) domestic systemically important institutions	1.50%	1.50%
Countercyclical buffer	0.13%	0.59%
Sectoral systemic risk buffer	0.27%	0.17%
MINIMUM CET 1 CAPITAL RATIO REQUIREMENT	10.099%	10.481%
Pillar II guidance	0.75%	1.00%
MINIMUM CET 1 CAPITAL RATIO GUIDANCE	10.849%	11.481%

Following the annual “Supervisory Review and Evaluation Process” finalised at the end of 2023, Belfius has to comply with a minimum CET 1 ratio for the first half of 2024 of 10.481% (before Pillar 2 Guidance):

- a Pillar 1 minimum of 4.5%;
- a Pillar 2 Requirement (P2R) of 1.215% (after split of 2.16% P2R);
- a capital conservation buffer (CCB) of 2.5%;
- a buffer for (other) domestic systemically important institutions (O-SII buffer) of 1.5% (imposed by the National Bank of Belgium);
- a sectoral systemic risk buffer of 0.17%;
- a countercyclical capital buffer (CCyB) of 0.59%.

The Pillar 2 Guidance (P2G) is set at 1% on the CET 1 ratio. As a result, Belfius has to comply with a minimum CET 1 ratio of 11.481% for the first half of 2024 (to compare with 10.849% in 2023).

The countercyclical capital buffer has increased by +46 bps (stemming mainly from the increased countercyclical buffer % for exposures on Belgium) and the sectoral systemic risk buffer has decreased with -10 bps following macroprudential measures imposed by the regulators.

The consolidated CET 1 ratio of Belfius at the end of June 2024 stood at 15.72%, well above the 2024 applicable CET 1 capital requirement of 10.481%.

Further to these regulatory requirements, Belfius stated in its Risk Appetite Framework that, in normal market circumstances and under stable regulations, it would strive to respect a minimum operational CET 1 ratio of 13.5%, on consolidated level.

6.5 Segment reporting²⁰

Analytically, Belfius splits its activities and accounts in three segments: Individuals (IND), Entrepreneurs, Enterprises and Public (E&E&P) and Group Center (GC); with IND and E&E&P containing the key commercial activities of Belfius.

- **Individuals (IND)**, managing the commercial relationships with individual customers both at bank and insurance level. Within the Individuals segment, four subsegments are distinguished: Savers, Investors, Private and Wealth;
- **Entrepreneurs, Enterprises and Public (E&E&P)**, managing the commercial relationships with public and social sector, business 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 central ALM (interest rate and liquidity) and Bond and Derivative portfolio management.

6.5.1 Individuals’ (IND) activities and results in the first half of 2024

Business description

Belfius Bank offers individuals a comprehensive range of retail, private banking, wealth management and insurance products and services. Belfius Bank serves its 3.4 million customers through its integrated omni-channel distribution network, which includes 461 branches, digital channels, its modern interaction platform Belfius Connect and a large number

²⁰ Please note that a refinement of the volumes allocation by products occurred in the first half of 2024. This implicates a difference with the published figures with respect to financial year 2023 volumes.

of automatised self-banking machines. Through executing its digital strategy, Belfius Bank became a leader in mobile banking with over 2 million active mobile users.

Belfius Insurance, a subsidiary of Belfius Bank, distributes its insurance products through the Belfius Bank branches and multi-channel distribution network, through the tied agent network of DVV Insurance, as well as through Belfius Direct Insurance. Through its Elantis and DVV brands, Belfius also offers mortgage loans and consumer loans to its customers.

Individuals results in the first half of 2024

At the end of June 2024, total savings and investments amounted to EUR 127.7 billion, an increase of +5.2%, or EUR +6.3 billion, compared to the end of 2023. IND S&I displayed an excellent organic growth of EUR 3.7 billion and a solid market effect of EUR 2.6 billion, the majority thanks to Private & Wealth. This EUR 6.3 billion growth is mainly explained by (i) a strong growth of +9% in Asset Management Services (EUR +3.3 billion) driven mainly by a positive market effect and a solid organic growth, and (ii) by a steady increase of +9% in maturing deposits (EUR +1.3 billion) explained by the increased attractiveness due to the higher interest rates.

Non-maturing deposits totalled EUR 56.8 billion at 30 June 2024, up +2% (EUR +1.1 billion) compared to the end of 2023. The payment and savings accounts outstanding reached respectively EUR 13.1 billion (+4%) and EUR 43.7 billion (+1%) at the end of June 2024.

Maturing deposits and Branch 21 amounted to EUR 19 billion, up +8% compared to the end of 2023. This strong increase is mainly due to Term & Straight Deposits, Bonds, Savings Certificates and Branch 21 that benefitted from transfers from Non Maturing deposits and new cash, and amounted respectively to EUR 4.3 billion (+3% compared to end 2023), EUR 10.6 billion (+7%), EUR 1.2 billion (+65%) and EUR 2.0 billion (+10%).

Asset Management Service and Equity investments volumes increased by +8% compared to the end of 2023, to EUR 45 billion, which benefitted from positive market effect and solid organic growth, stemming mainly from mutual funds and mandates.

Total loans to customers increased by +1.3% from EUR 50.3 billion at the end of 2023 to EUR 51.0 billion at 30 June 2024. Mortgage loans, which account for 90% of all loans for Individuals, amounted to EUR 45.8 billion at the end of June 2024 (+0.8%), while consumer loans and other loans to Individuals stood respectively at EUR 1.9 billion (+3.1%) and EUR 3.3 billion (+8.7%).

New long-term loans granted to Individuals clients during the first half of 2024 amounted to EUR 3.0 billion, a decrease of -10% compared to EUR 3.3 billion in the first half of 2023. In the first half of 2024, the new production of mortgage loans decreased by -12% to EUR 2.3 billion. During the same period, EUR 0.4 billion in consumer loans and EUR 0.3 billion in new long-term business loans were granted, stable compared to the first half of 2023.

Non-life insurance Gross Written Premiums grew by +6% in the first half of 2024 compared to the first half of 2023, at EUR 356 million, boosted by the Issuer's distribution channel (+7% to EUR 161 million). The premium collection in DVV Insurance amounted to EUR 158 million (+6% compared to the first half of 2023) and to EUR 38 million in Belfius Direct Insurance, up +5% compared to the first half of 2023. Such growth is driven by premium indexation and new business, more than compensating the slight increase in churn during the first half of 2024.

The mortgage loan intentional cross-sell ratio for credit balance insurance increased to reach 137% in the first half of 2024 compared to 136% in the first half of 2023. The intentional

mortgage loan cross-sell ratio for property insurance increased to 89% (compared to 88% in the first half of 2023).

Life insurance reserves Individuals increased by +3% since end 2023 to EUR 10.5 billion in the first half of 2024. Unit-linked reserves (Branch 23) increased with +5%, mainly thanks to a positive market effect of EUR 0.2 billion and the reserves Life Invest Branch 21 increased with +26% thanks to the solid production in Branch 21 Invest for Individuals.

Individuals' net income Group share increased by +10% and amounted to EUR 283 million in the first half of 2024.

6.5.2 Entrepreneurs, Enterprises & Public's (E&E&P) activities and results in the first half of 2024

Business description

The Business Banking segment mainly comprises self-employed persons, liberal professions (e.g. lawyers, doctors, accountants and so on) and SMEs with a turnover of EUR 0 to EUR 10 million.

The Corporate Banking segment includes medium and large Belgian companies with a turnover of more than EUR 10 million and operating in Belgium in all sectors of activity.

The Public and Social segment includes local public bodies (e.g. municipalities, provinces, police districts and public centres for social action), supralocal public bodies, regional and federal public bodies, mutual societies and trade unions, healthcare (hospitals, retirement homes), education (universities, schools) and housing, as well as foundations, social secretariats and pension funds.

Belfius 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 Insurance also sells insurance products to its public and social sector clients. Specific life insurance solutions are offered, especially pension insurance in the second and third pension pillars for civil servants and investment products in Branch 26 (life insurance with a capital guarantee and guaranteed minimum return, to which a variable profit participation feature may be added). The development of the insurance policies specifically dedicated to the "Business" segment is one of the strategic development axes for both Life and Non-Life segments and are distributed via the Belfius Bank branches and via the tied agent network of DVV Insurance.

E&E&P's results in the first half of 2024

As of 30 June 2024, total savings and investments amounted to EUR 62.9 billion, down by -3.3% (or EUR -2.1 billion) compared to end 2023, explained by the negative organic growth of EUR -2.3 billion and the slightly positive market effect of EUR 0.2 billion. Non maturing deposits (savings and payment accounts) decreased by EUR -2.9 billion to EUR 30.4 billion explained by the product mix switch to maturing deposits. Asset Management Services and Equity investments increased by EUR +0.3 billion (or +3.3%) to EUR 10.8 billion, mainly explained by the positive market effect and to a lesser extent by the organic growth. Other Savings and Investments increased by EUR +0.2 billion to EUR 9.2 billion, mainly explained by the increase in Commercial Paper.

Total outstanding loans increased to EUR 64.3 billion (or +1.4%). Outstanding loans to Business customers reached EUR 15.5 billion, slightly decreasing by EUR -0.1 billion (or -

0.4%). Outstanding loans to Corporate customers amounted to EUR 25.2 billion, a strong increase by EUR +1.1 billion (or +4.5%), mainly explained by the strong growth in roll-over loans. In Public & Social Banking, the outstanding loans reached EUR 23.6 billion, a slight decrease (-0.5%) compared to end 2023.

In the first half of 2024, Belfius granted EUR 7.9 billion in new long-term loans in the Belgian economy to Business, Corporate and Public and Social sector clients, a decrease by EUR -0.5 billion (or -6%) compared to the first half of 2023.

EUR 2.0 billion of new long-term loans to business clients were granted, a decrease by -3% compared to the first half of 2023.

The production of long-term loans for Corporate customers amounted to a strong EUR 4.7 billion, lower than in the first half of 2023 (-7%), but still at a very high level.

In the first half of 2024, Belfius granted EUR 1.3 billion of new long-term financing to the public sector, in line with the first half of 2023. Belfius remains the undisputed leader in this market and responds to every financing tender from public bodies, to which it offers sustainable financing conditions. Belfius manages the cash flow of virtually all local authorities and was awarded 49% (in volume on production) of the public sector financing files put out to tender in the first half of 2024.

Belfius also strengthened its leading position in the Debt Capital Markets (DCM) for (semi-)public and private companies: in the first half of 2024, Belfius issued EUR 6.2 billion in innovative financing instruments in the form of short-term issues (average outstanding amount on commercial paper) and long-term issues (Medium Term Notes and bonds).

The E&E&P segment's commercial results in insurance shows opposite trends in terms of underwriting volumes:

- Non-life GWP E&E&P: increase compared to the first half of 2023 (+4%) to EUR 120 million, thanks to growth in the business segment of both Bancassurance and DVV, while Wholesale segment remained stable;
- Life Insurance reserves E&E&P: increase by +1% since the end of 2023 to EUR 4.1 billion.

E&E&P net income Group share reached EUR 332 million in the first half of 2024, an increase of EUR +58 million or +21% compared to the first half of 2023.

6.5.3 Group Center (GC)'s activities and results in the first half of 2024

Group Center (GC) operates through two sub-segments:

- Run-off portfolios, inherited from the Dexia era, which mainly comprise:
 - (i) a portfolio of bonds issued by international issuers, particularly active in the public and regulated utilities sector (which includes UK inflation-linked bonds) and ABS/RMBS, the so-called ALM Yield bond portfolio;
 - (ii) 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
 - (iii) a portfolio of interest rate derivatives with Dexia entities as counterparty and with other foreign counterparties;

- 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 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^{21 22}.

(i) 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 the first half of 2024, the ALM Liquidity bond portfolio stood at EUR 8.4 billion, up by EUR +0.6 billion or +7.7%, compared with December 2023. At the end of the first half of 2024, the portfolio was composed of sovereign and public sector bonds (60%), covered bonds (35%), corporate bonds (5%) and asset-backed securities (<1%). Belgian and Italian government bonds in the ALM Liquidity bond portfolio amounted to EUR 1.6 billion and EUR 0.9 billion respectively.

At the end of the first half of 2024, the ALM Liquidity bond portfolio had an average life of 6.8 years, and an average rating of A (100% of the portfolio being investment grade), which is globally consistent with year-end 2023.

ALM Yield bond portfolio

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

At the end of the first half of 2024, the ALM Yield bond portfolio stood at EUR 2.9 billion, down by -2.1%, compared with December 2023, and was composed of corporates (80%), sovereign and public sector (11%), asset-backed securities (6%), and financial institutions (4%). Most 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 gas distribution companies. Most of these bonds are of investment grade 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. Continued pressure in the UK Water sector has resulted in the shift of an important counterparty to the non-investment grade range in the first half of 2024.

At the end of the first half of 2024, the ALM Yield bond portfolio had an average life of 21.5 years. The average rating of the ALM Yield bond portfolio stood at BBB+²³, down from A- at year-end 2023. 92% of the portfolio was investment grade.

(ii) Derivatives portfolio

²¹ Nominal amount.

²² As from the first half of 2024, average rating and expected average life are based on Exposure At Default (EAD) instead of notional value (in line with the method already used before for IR Derivatives), with recalculation of end 2023 statistics.

²³ Includes rating impact from bought credit protection for some ALM yield bonds. One notch decrease of average rating is linked to a downgrade of a few positions within the portfolio.

Derivatives with Dexia entities and foreign counterparties

During the period it was part of the Dexia Group, the former Dexia Bank Belgium (now Belfius Bank) 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 re-hedged 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 notional amount of derivatives with Dexia entities and interest rate derivatives with international counterparties amounted to EUR 6.6 billion at the end of the first half of 2024, down by EUR -0.4 billion or -6%, compared with EUR 7.0 billion at the end of December 2023.

Derivatives with Dexia entities decreased by -6% (or EUR -0.3 billion) to EUR 4.9 billion at the end of the first half of 2024. This decrease is due mainly to amortisations. Derivatives with international counterparties decreased by EUR -0.1 billion (or -6%) to EUR 1.6 billion at the end of the first half of 2024.

The fair value of Dexia and international counterparty derivatives amounted to EUR 0.2 billion and to EUR 0.5 billion respectively at the end of the first half of 2024. The Dexia derivatives are collateralised while the international counterparty derivatives are generally not collateralised. The Exposure At Default (EAD) amounted to EUR 0.7 billion.

At the end of the first half of 2024, the average rating of the total portfolio stood at BBB+ and the average life of the portfolio stood at 9.7 years.

Credit guarantees

At the end of the first half of 2024, the credit guarantees portfolio amounted to EUR 1.9 billion increasing by +0.03 billion compared to December 2023. It relates essentially to Financial Guarantees (booked in Amortised Cost), and Credit Default Swaps (booked in Fair Value Through P&L) issued on corporate (94%), public issuer bonds (3%) and ABS (3%). 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, resulted in a portfolio that is 97% investment grade in terms of credit risk profile.

At the end of the first half of 2024, the average rating of the portfolio stood at A, which is globally consistent with year-end 2023. The average life of the portfolio stood at 8.8 years.

(iii) Other Group Center activities

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.

Belfius' GC net income group share amounted to EUR -134 million in the first half of 2024, compared to EUR -51 million in the first half of 2023.

6.6 Post-balance sheet events

Thames water

As part of its Group Center legacy portfolios, Belfius has an exposure on Thames Water (Class A debt issued by the Operating Company) of EUR 550 million (EaD incl. Fair Value of hedged risk) as of 30 June 2024, which is guaranteed at a level of 76% of the EaD by an investment grade monoliner (with S&P rating AA). The exposure is classified in Stage 2 as of 30 June 2024 with an expected credit loss impairment representing 30% of the uncovered exposure at default.

After the reporting date of 30 June 2024, the UK water regulator, Ofwat, published its draft determinations, committing Thames Water to deliver significant improvements on current performance for a range of measures that matter to customers and the environment. They do however not accept the amount of money that Thames Water has said would be required to meet all of its obligations and therefore also requested lower average bills than those originally proposed by Thames Water. Ofwat is also proposing that Thames Water will be placed under a 'turnaround oversight regime', with enhanced monitoring of detailed delivery plans, particularly related to the improvement of asset health and transformation of its operational performance. The concrete substance of this "turnaround oversight regime" still must be defined and Belfius continues to closely monitor the situation.

Water companies in England and Wales, including Thames Water, are currently being consulted by Ofwat on these draft determinations, and were invited to introduce responses and comments thereon before noon on 28 August 2024. Ofwat mentioned it will publish its final determinations on 19 December 2024.

Following the publication of Ofwat, both Moody's and S&P downgraded Thames Water class A debt rating to Ba1 and BB, respectively. As part of Ofwat's license conditions, Thames Water needs to maintain two investment-grade ratings. According to a statement on the credit rating agency's website, S&P noted that "... Ofwat has publicly stated that this rating downgrade below investment grade would not lead to an automatic revocation of Thames Water's license...."

Belfius has analysed in-depth all relevant information available for closing its first half of 2024 accounts as of 30 June 2024, and on that basis assessed that the stage 2 classification for its Thames Water exposure, as well as the anticipated credit risk impairment on that exposure is deemed appropriate for the first half of 2024 accounts.

End of September 2024, both Moody's and S&P have further downgraded Thames Water class A debt rating to Caa1 and CCC+, respectively.

As customary, Belfius will continue to monitor all relevant information and events very closely at next reporting dates.

Acquisition Ajusto by Jaimy

Belfius Insurance's subsidiary Jaimy acquired 100% of the shares of the company Ajusto in August 2024 to strengthen the scale-up to have a greater impact on the Belgian market for sustainable home maintenance and repair. Jaimy by Belfius will take the initiative to develop a comprehensive offering for all Belgians and strengthen the valuable collaboration with the contractor network together while leveraging the Ajusto team's knowledge and service.

6.7 Risk Management

6.7.1 Fundamentals of credit risk in the first half of 2024

Despite significant resilience shown by the Belgian economy, important challenges remain for the near future. The number of bankruptcies is quickly rising and has reached pre-Covid levels. The economic uncertainty primarily affects the manufacturing industry and the construction sector. Since the beginning of 2024, more than 1,300 construction companies went bankrupt, representing more than 20% of all bankruptcies. Job creation slowed down sharply in the first half of 2024, and the economy was confronted with a higher job loss, among other things as a consequence of large corporate restructurings and bankruptcies. At the same time, labour market tightness has eased somewhat, although finding qualified workers remains a challenge across industries. Investment growth was reported to have moderated with companies focusing on cost control and enhancing efficiency through digitalisation and automation. Adjustment to the energy transition and the implementation of the EU Recovery and Resilience Plan will require extensive investment and financing needs in the future.

The situation of the real estate market, an important segment of the Belgian economy, remains complicated. The trends that were observed in 2023, i.e. rising costs of building materials, increasing financing costs, restrictive energy regulation, etc. continue to persist in 2024. These elements combined have put pressure on the commercial real estate segment, but also increasingly on the residential segment. In the commercial real estate segment, the investment and demand level has remained low, and this has put significant pressure on the financial position of several large developers. In the housing market, the number of transactions decreased considerably in 2024 and housing prices are stabilising, however with regional difference and difference per type of building.

With respect to the public sector, the level of financing deficits and the debt remain a concern for Belgium. Although the outcome of the elections in June (Federal & Regional) does not seem to lead to the political impasse that was feared, it remains a question to what extent the governments at the different levels will be able to put in place the budgetary discipline, that is required by Europe.

From a macroeconomic perspective, expected ECB interest rate reductions have been postponed or tempered and the outcome of numerous elections organised across the world could influence the financial markets and global economy, among other things by feeding expectations of higher inflation.

Against this ambiguous background, credit risk management has been challenging in the first half of 2024, in particular in finding the right balance between confidence in the robustness of the past achievements and the questioning about the forward-looking approach to factor in potential risk evolutions. On the one hand, the credit quality across the Belfius loan portfolios remains strong, and the level of anticipative provisioning that was done in the past, is judged

to provide adequate protection against downturn evolutions. On the other hand, the uncertainty about the duration and severity of the downturn elements that were recently observed, calls for vigilance and a thorough reflection about credit policies and provisioning strategies.

Individuals

Under tight monetary conditions and moderate inflation, in the first half of 2024, the mortgage production volume was at 83% of 2023 year end's level. The portfolio increased with 1.3% from a Full Exposure At Default ("**FEAD**") of EUR 43 billion at the end of 2023 to EUR 43.6 billion in the first half of 2024.

Combined with a lower mortgage production, some minor changes in the characteristics of the new mortgages were observed. There was a moderate shift from the volume of loans granted to young First Time Buyers to older borrowers and the average maturity of newly originated mortgages has slightly decreased. Other characteristics like the DSTI and the dominance of mortgages with fixed interest rate remained stable.

All in all, despite a challenging environment of high interest rates and intense competition, the credit quality of the mortgage portfolio remains strong. This can be explained by a large prevalence of fixed-interest rates loans as well as the automatic wage indexation which lowered the share of debt service. The PD level remains relatively stable, with a slight decrease from 0.5% at the end of 2023 to 0.49% in June 2024. The NPL ratio remains within expected bounds at 0.3%. Similarly to previous years, Belfius remains largely compliant with the NBB expectations regarding LTV and DSTI ratios.

The consumer loans portfolio grew at around 2% since the end of 2023, reaching an FEAD of EUR 5.8 billion. In the past six months the average PD decreased further from 0.68% to 0.66%, indicating a healthy portfolio. The share of NPL's is also lower than in the fourth quarter of 2023, decreasing from 3% to 2.7%.

The Issuer continues to closely monitor these portfolios, especially given the current macroeconomic conditions. Although the latest economic projections of NBB do not foresee a decrease in interest rates, recent and possible future ECB monetary easing could result in lower rates and a boost in (mortgage) production. For mortgages in particular, production could also be supported by relatively stable housing prices, higher wages and the slowing down in inflation.

Entrepreneurs & Enterprises (E&E)

General economic conditions have still been challenging in the first half of 2024 but activity growth has remained broadly stable at a low level. Within a context of continuing uncertainty and inflation not resuming its downward trend, most economic indicators have been bottoming out since end of 2023.

Companies in the E&E-segment are focusing on profitability, causing them to reduce their expenses and enhance operational efficiency and, in doing so, reducing their investment plans even with external financing remaining accessible. Investments are primarily focused on digitalisation and automation to offset the large rise in wage costs and on the greening of the production process mainly driven by regulatory requirements. In the meantime increase in wage costs is more moderate and other input costs are also in decline. Commodity prices were down overall, energy bills have fallen considerably but oil prices remain quite high. There are no more significant problems with supply chains also due to operational adjustments to render production processes less vulnerable.

Job creation has slowed sharply meaning market tightness has eased somewhat although finding qualified workers continues to pose a challenge. While using less temporary workforce and flexible and consultancy contracts (to reduce costs), still few companies plan to cut their permanent workforce.

Manufacturing fundamentals remain weak with tentative signs of improvement. Firms are struggling to return to pre-covid production causing growing overcapacity. Wage-cost gap has widened (compared to neighbouring countries) and energy prices remain above pre-crisis levels driving production costs to exceed global market prices. A slightly contracted construction activity contributes to a prolonged slump in the building industry.

Conditions are still better in the services industries, but the sentiment seems to be softened due to cost-cutting in the wider economy.

More consumer related industries (retail) have consumed their buffers to weather consecutive crises (covid, energy, inflation) and are showing more signs of financial stress (also already visible through rising defaults).

This economic uncertainty is translated in the credit quality indicators of Belfius' E&E loan portfolio, amounting to EUR 63.4 billion at the end of the first half of 2024:

- overall credit quality in the E&E segment is stable (average PD of 1.65% in the first half of 2024 compared to 1.64% at the end of 2023) with decelerating growth of watchlist volumes;
- production, especially in Corporate Banking, continued to be very dynamic with good credit quality driven by better than average rated large tickets but interest rate sensitive activities as real estate and leveraged transactions represent a reduced share;
- bankruptcies have returned to pre-Covid levels but with regional and sectoral differences with a more pronounced growth in the SME-companies in sectors such as construction, transportation (incl. car dealers), hospitality and catering. This increase resulted in rising NPL levels (see also the section entitled "*Asset quality – Asset quality ratio*" below).

In the commercial real estate segment, the exposure growth has stopped as demand and investment appetite was strongly reduced due to the uncertainty of the interest rate evolution. The deep dive analysis on the portfolio, performed at the end of 2023, confirmed the fundamental credit quality of the Belfius commercial real estate portfolio. The key risk indicators, that are monitored on a permanent basis, continue to demonstrate the solid character of the portfolio, although certain evolutions call for a close watch. The upward pressure on the non-performing loans reflects the risk concentrations on certain large developers in the portfolio and a more general understream of defaults in the segment of small real estate and construction companies. Belfius has taken both specific and anticipative general provisions to cover for adverse risk evolutions in commercial real estate and it is quarterly assessing the adequacy of these provisions. To manage our risks during the current cooldown of the market, a number of measures have been taken, which include increased scrutiny on and update of the commercial real estate acceptance guidance and credit delegations combined with an intensive awareness campaign for credit analysts and bankers. From a portfolio perspective, shorter term loans with a project or refinancing risk are monitored more closely targeting an early detection of cash flow issues.

Public & Social Banking

Belfius' portfolio in Public & Social Banking has seen a EUR -1.3 billion (-3.4%) decrease over the past half year, from EUR 36.1 billion to EUR 34.8 billion. This is mainly due to a lower exposure on the regions and communities, constituting a change of approximately EUR - 800 million in the portfolio. All in all, the credit quality has remained stable.

Although Belgium has shown resilience in the wake of two consecutive economic shocks (caused by the Covid-19 pandemic and the Russian invasion of Ukraine), support measures have eroded the budgetary cushion of the federal government and the regions and communities. Accordingly, the EU has concluded in its Country-Specific Recommendations that, at the federal level, no progress has been made on its recommendation to “pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth.”

Further fiscal reforms are necessary given the challenging operating environment (e.g. rising interest costs), but are largely dependent upon the reform plans of the to-be-formed and newly formed federal and regional governments in the wake of the June 2024 elections. While the quick formation of a reform-minded government in the Walloon Region offers a positive perspective, the effects of the formations of new governments in the Flemish Region and the Brussels-Capital Region as well as of a new federal government are still uncertain on account of the politically fragmented landscape.

While gross domestic product (“GDP”) growth has shown resilience, it will most likely not be able to make up for the current lack of fiscal reform and rising interest costs. This becomes a pressing issue as budget increases and investments are required in areas such as security (defense), healthcare (new buildings and medical treatments) and public utilities (energy transition, water management).

Besides high public debt and deficit levels, the Belgian economy is coping with the effects of international trade slowing down due to geoeconomic reasons (protectionism) and a structural decline in growth of emerging economies such as China. Low levels of labour participation as well as an ageing population put future growth prospects under pressure. Furthermore, Belgium has become less attractive as a place for new investments, as evidenced by its 27th place on the International Tax Competitiveness Index (down from 22nd place in 2022). A particular challenge is found in the high tax burden on labour, which puts Belgium last among OECD countries.

Moreover, some of the Belgian regions and communities are struggling with difficult budgetary positions. Public sector is providing financing and/or guarantees for municipalities, hospitals and public utilities that are also facing financial strain and/or require significant investments to address new medical treatments (hospitals) and the energy transition (public utilities). These interdependencies require close monitoring in the perspective of the general budgetary challenges and potential economic shocks.

As the 2024 edition of the annual Belfius local finance study has shown, Belgian municipalities are still dealing with high personnel costs, including pension contributions. Although energy costs have stabilised since the energy crisis of 2022, they remain high compared to pre-2022 level. Additionally, contributions to CPAS (Public Centres for Social Welfare), police zones and emergency zones (hulpzones) have increased from 2019-2024. Overall, however, municipal debt remains manageable and municipalities continue to maintain a fiscal balance. It should be noted that considerable support measures (in the form of loans on beneficial terms) made possible by the Walloon region (through the CRAC - Centre

Régional d'Aide aux Communes) under the 2022-2026 “Oxygène” plan have helped the Walloon municipalities.

The Belgian hospital sector is coping with structural deficits limiting its ability to invest in new buildings, medical treatments and staff. The combination of an ageing population, increasingly expensive medical treatments and staff shortages constitute a recurring challenge for this sector. Publicly owned hospitals are dealing with additional financial pressure in the form of rising pension contributions that have to be carried by an increasingly limited number of statutory staff at work.

Belfius will continue to monitor the situation of the public and social sector by conducting macroeconomic studies and scrutinising the performance of public actors on different levels.

Insurance

The management of the credit risk of Belfius Insurance is the responsibility of Belfius Insurance risk management team, albeit in collaboration with the credit risk teams of Belfius Bank and aligned with the risk management guidelines that are applicable for the whole Belfius group. As such, this implies that credit limits are defined on a consolidated basis and that transfers of limits between Belfius Bank and Belfius Insurance are permitted, on the condition that both parties agree. The CROs of Belfius Bank and Belfius Insurance coordinate the requests among each other.

6.7.2 Exposure to credit risk

Breakdown of credit risk by counterparty:

	31 December 2023	30 June 2024
(FEAD, in EUR billion, Group figures)		
Central governments	30.9	31.7
Public sector entities	40.6	39.3
Corporate	54.3	55.4
Project finance	2.4	2.5
Retail.....	63.0	63.6
Financial institutions.....	12.1	12.1
Other ⁽¹⁾	4.4	3.8
Total	207.7	208.5

⁽¹⁾ Other include, among others, deferred tax assets, tangible and intangible assets and gains and losses on the hedged item in portfolio hedge of interest rate risk.

The definition of Full Exposure at Default “**FEAD**” is determined as follows:

- for balance sheet assets (except for derivatives): the gross carrying amounts (before credit risk adjustments);
- for derivatives: the exposure at default calculated under the standardised approach for counterparty credit risk (SA-CCR);
- for Securities Financing Transactions: the carrying amount as well as the excess collateral provided for repurchase agreements;

- for off-balance sheet commitments: either the undrawn part of credit facilities or the maximum commitment of Belfius for guarantees granted to third parties.

FEAD for instance provides a consistent metric to present a combined view of the Issuer's bank and insurance respective exposures to credit risk.

The figures in the above table are after elimination of intra-group exposures but with inclusion of credit exposure from trading activities and counterparty credit risk.

Exposures are allocated to the final counterparty. This means that if substitution is applied to a certain exposure to a borrower guaranteed by another party, the exposure is shifted to the region, type of exposure and rating of the guaranteeing party.

As of 30 June 2024, the total credit risk exposure within Belfius slightly increased to EUR 208.5 billion, an increase of EUR 0.8 billion or 0.4% compared to the end of 2023, primarily stemming from FEAD increase to Central governments, Corporates and Retail, partly offset by the decline of FEAD to Public sector entities.

At bank level the credit risk exposure increased with 0.5% to EUR 193.5 billion. At the level of Belfius Insurance, the credit risk exposure slightly declined by 1.2% to EUR 15 billion on 30 June 2024.

The exposure on Central governments is mostly due to the increase of liquidity reserve deposited at the NBB/ECB. Significant part (41%) of the government bonds portfolio is invested in Belgian government bonds at the Group level. While at bank level the Belgian government bonds represent 40% of the total government bond portfolio, the relative proportion at Belfius Insurance stands at 43%.

The credit risk exposure on individuals, self-employed and SMEs (30.5% of the total) increased by EUR 0.6 billion reflecting Belfius' strategy to support the Belgian economy.

The credit risk exposure on corporates (26.6% of the total) increased by EUR 1.2 billion.

The credit risk exposure on public sector entities and institutions that receive guarantees of these public sector entities declined by EUR 1.3 billion during the period, mainly due to a lower exposure on the regions and communities.

The credit risk exposure on financial institutions remained rather stable during the first half of 2023.

Belfius' positions are mainly concentrated in the European Union: 95% or EUR 184.1 billion at bank level and 94% or EUR 14.1 billion for Belfius Insurance. The total relative credit risk exposure on counterparties situated in Belgium is 85.8% as of 30 June 2024 with the slight decline from 86.1% at the end of 2023. Furthermore, total relative credit risk exposure on counterparties situated in France is 3.6%, 2.3% in the United Kingdom, 1.3% in the United States and Canada, 1.3% in Luxemburg, 0.8% in Spain, 0.9% in Germany and 0.6% in Italy.

The credit risk exposure to counterparties in the United Kingdom amounted to EUR 4.9 billion. About 60% of this credit risk exposure relates to bonds belonging to the ALM-yield portfolio.

On 30 June 2024, 75% of the total credit risk exposure had an internal credit rating of investment grade (IG).

6.7.3 Cost of risk in the first half of 2024

(i) IFRS 9 impairment methodology at Belfius

The basic principles of the process to compute IFRS 9 expected credit losses (ECL) are as follows:

- Belfius Bank and its subsidiaries recognise loss allowances for ECL on financial instruments at amortised cost or at fair value through Other Comprehensive Income (OCI);
- ECL are measured through a loss allowance that depends on the financial instrument's status:
 - for performing exposures (i.e. instruments that have not incurred a significant increase in credit risk since origination), referred to as stage 1, a 12-month ECL is calculated;
 - for underperforming exposures (i.e. instruments that have incurred a significant increase in credit risk since origination), referred to as stage 2, Lifetime ECL are calculated;
 - non-performing exposures (i.e. exposures that become credit-impaired), are classified in stage 3 and the ECL reflect the remaining exposure after a best-estimate of future recoveries;
- ECL are probability-weighted estimates of credit losses. This is expressed as the present value of cash shortfalls i.e. the difference between the cash flows that are due to the entity in accordance with the contract and the cash flows that the entity expects to receive. ECL calculations use probability of default (PD) and Loss-Given Default (“LGD”) parameters. Point-in-time PDs are used that inter alia incorporate forward-looking macroeconomic information through the use of four different macroeconomic scenarios. These scenarios are built upon internal information delivered by the Belfius Research department, who uses external and internal information to generate a forecast “neutral” scenario of relevant economic variables along with a representative range of other possible forecast scenarios. The external information includes economic data and forecasts published by governmental bodies and monetary authorities.
- Belfius assigns probabilities to the four forecast scenarios (neutral, optimistic, pessimistic and stress) and makes the link between macroeconomic variables and credit risk and credit losses through identified and documented relationships between key drivers of credit risk and credit losses for each portfolio of financial instruments on the one hand and statistical analysis of historical data on the other hand;
- Given that ECL estimations are complex and to a certain extent judgmental, the aforementioned mechanical approach is completed by management judgment through “management call” layers as authorised by the IFRS 9 accounting references. These layers can be positive or negative and aim to include any elements entering in the ECL calculation which have not been taken into account by the mechanical computation on an individual level or a (sub)portfolio level. Since the first-time adoption of IFRS 9, Belfius has applied ECL overlays for certain risk pockets (as for commercial real estate, for high LTV mortgage loans). In 2023, an overlay for ESG risks was initiated on both mortgage and E&E exposures. The housing stock energy efficiency-performance and -objectives could negatively affect the value of the residential mortgages in the mortgage

portfolio; to capture this potential impact, an ECL layer was developed for higher LTV mortgages with properties in collateral, with a low energy efficiency (KWH/m²year of 400 or more). In the E&E portfolio, counterparts face a far-reaching transition in order to comply with (new) environmental regulations, prevent social issues affecting brand reputation or deal with governance failures that could lead to legal and/or financial consequences. To manage these risks and ensure long-term viability, investments have to be made. Based on the Climate Policy Relevant Sectors (CPRS) classification, an ECL overlay is applied on the sectors that proved to be most vulnerable within the Belfius portfolio (Belfius CERMA, 2023).

(ii) Adjustments to the impairment methodology as from 2020

In the context of the Covid-19 pandemic, followed by the Russia/Ukraine conflict and the resulting energy crisis, Belfius' basic principles for ECL computations have remained fundamentally unchanged, however some adjustments to the aforementioned approach were required in order to maintain an adequate coverage for potential risks.

Macroeconomic factors

With respect to the macroeconomic factors used in the ECL computations, the adjustment mainly concerned the length of the reference period used to project macroeconomic factors - taking a longer history and backward and forward looking elements - into account to avoid one-off effects from a turbulent period;

In 2023, entering into a post-Covid era, Belfius decided to abandon the long term average of historic data in the calculation of the macroeconomic factors and returned to a full point-in-time and forward looking approach in macroeconomic factor calculations by end 2023.

The overlay approach

The mechanical calculations have been completed with expert overlays. These overlays are designed to result in best estimate coverage of ECL in some specifically identified risk pockets of vulnerable exposures (defined in terms of sectors, groups of companies or individual exposures):

In 2020 and 2021, an overlay was constituted to cover for the risks related to the Covid-events. Credit exposures to individuals and companies with payment moratoria and companies in sectors that were hit more severely by the pandemic and the sanitary measures were included;

In 2022, the driver of risk gradually shifted also to sectors with a sensitivity to inflation and energy prices' increases;

In 2023, the Covid-related exposures completely disappeared from the overlay. The scope of the overlay was only linked to exposures that were vulnerable to energy and inflation. The definition of the scope did not change in 2023, the evolution of the provisions was driven by exposure evolutions and rating migrations.

In such case, one or more IFRS 9 parameters have been stressed when computing the ECL. For mortgages, a stressed LGD value has been applied, while for companies vulnerable to inflation and energy price risk, an add-on has been applied on the mechanically computed expected credit loss. The add-ons correspond to an increased expected credit loss, equivalent to a 1 to 2 notch rating downgrade(s). This approach feeds the formal quarterly impairment process and results into shifts of individual files or risk pockets from stage 1 to 2. The approach results into ECL levels deemed more adequate to cover the related (increased) credit risk.

Ex-ante provisioning for macroeconomic uncertainties and vulnerable exposures

Belfius constituted as from 2020, an overlay for macroeconomic uncertainties and vulnerable exposures as ex-ante provisioning, that evolved over time in function of the economic evolutions.

It is recalled that stage 1 and 2 provisions constitute anticipative provisioning against expected credit losses on files that could enter into default. To what extent these stage 1 and 2 provisions are transformed into stage 3 provisions, covering incurred credit losses on defaulted loans, or be released, remains subject to the evolution of the macroeconomic environment and to the extent that the anticipated transitions to default effectively. Otherwise,, part of these impairments will be reversed over time.

(iii) Drivers of the cost of risk in the first half of 2024

The first half of 2024 Cost of Risk amounted to EUR -52 million and was composed of EUR -39 million allowances for the commercial activities of Belfius, EUR -18 million allowances for the bond portfolio/the portfolio in run-off (“Group Center”) and EUR +5 million reversals for Belfius Insurance.

This Cost of Risk contains EUR -155 million allowances for exposures in default, of which a few names in the portfolio in run-off and some major individual files in the Belgian economy. Next to this, small and medium sized businesses are contributing increasingly to the specific provisions.

These specific provisions are partly offset by EUR +103 million reversals in the stage 1 and 2 component, due to:

- a reversal of a part of the ex-ante constituted Overlay for macroeconomic uncertainties and vulnerable exposures of EUR +60 million (cf. infra);
- the reassessment of the other ECL overlays for the risk pockets in the portfolio (cf. supra) and global portfolio evolutions (rating migrations and movements in credit exposure), that account for EUR +43 million. It is to be noted that these portfolio evolutions also include the shift of files from stage 2 to stage 3: with Belfius’ anticipative provisioning methodology, the credit losses on these counterparts have typically been anticipated to a certain extent by stage 2 expected credit losses, constituted during the past years.

Thus, the applied ex-ante provisioning in recent years allowed to absorb allowances for default files and limits total Cost of Risk.

Macroeconomic factors used in the first half of 2024 ECL calculations

The macroeconomic projections, used for ECL calculations, were updated in line with the Belfius Research department expectations:

- the macroeconomic factor calculation is based on 2024-2026 data;
- the system of four probability weighted forward-looking scenarios each with their own macroeconomic parameters to build optimistic, neutral, pessimistic and stress cases is maintained. Yet, the scenarios have been adapted to the updated macroeconomic environment.

The macroeconomic forecasts are moderately improving compared to end 2023. Expected GDP growth for Belgium remains rather stable, whereas the previsions for the Eurozone and the US were revised upwards slightly and significantly, respectively. The inflationary relief that was observed, is reflected in the 2024 CPI data, and for 2025-2026 the expected return to

a normalised level is confirmed. The evolutions of the labour market are reflected in a moderate decrease of the unemployment figures, still at a low level, both for Belgium and for Europe.

Macroeconomic scenarios GDP (% YoY)

	As of end 2023			As of 2Q 2024		
	2023	2024	2025	2024	2025	2026
SCENARIOS						
Optim istic	2.1	1.8	2.0	1.9	2.0	1.9
Neutral	1.5	1.2	1.4	1.3	1.4	1.3
Pessim istic	0.4	0.1	0.3	0.2	0.3	0.2
Stress	-0.2	-0.5	-0.3	-0.4	-0.3	-0.4

The neutral case is completed with an optimistic, a pessimistic and a stress scenario. The table above illustrates the Belgian GDP Growth assumptions under the four scenarios.

In the weights of the forward-looking scenarios, a 5% shift from the pessimistic to the optimistic scenario is applied, reflecting the reduced probability of a hard recession, as it could be derived from the macroeconomic parameters and the general economic sentiment in the first months of 2024.

The update of the macroeconomic factors and the lower weight of the pessimistic scenario have induced a reversal of EUR +42 million provisions in the first half of 2024.

Sensitivity of the impairment stock stage 1 & 2 to changes in scenario weights

The following table provides an overview of the stage 1 & 2 impairments sensitivity to the weight of macroeconomic scenarios. Under the current methodology, the most relevant macroeconomic factors are GDP and Unemployment. Note that the sensitivity is not linear and cannot be simply extrapolated.

(in millions of EUR)	What if 85% optimistic ⁽¹⁾	Weighted average scenario 2Q24	What if 85% pessim istic ⁽¹⁾	What if 85% stress ⁽¹⁾
Im pairment stock stage 1&2	669	806	968	1,162
% change vs weighted average scenario	-17%	0%	20%	44%
		Optim istic 10% Neutral 55% Pessim istic 30% Stress 5%		

(1) 5% on each of the 3 other scenarios.

The overlay approach

In course of the first six months of 2024, Belfius continued its portfolio analysis and monitoring process, in order to determine and keep up to date the sectors and / or clients vulnerable to inflation and energy price risks. There was no methodological change with respect to the scope definition.

The overlay for these vulnerable exposures , which serves to cover for potential risks caused by inflation and higher energy prices was reduced by EUR 18 million in the first half of 2024, driven by exposure and rating evolutions and migrations of files to stage 3.

Belfius' exposure towards these vulnerable sectors or counterparts is limited to 3.2% of the total portfolio or EUR 6.3 billion at the end of June 2024.

The provision for macroeconomic uncertainties and the overlay for vulnerable exposures combined form the Belfius “Overlay for economic uncertainties and vulnerable exposures”, of which the stock as of June 2024 amounts to EUR 134 million (compared to EUR 194 million at the end of 2023):

- EUR 46 million for macroeconomic factors (compared to EUR 88 million at the end of 2023);
- EUR 88 million for vulnerable exposures (compared to EUR 106 million at the end of 2023).

Stage 3 provisions for files in default

The Issuer continues to apply its standard impairment process for non-performing exposures. The stage 3 provisions represent a cost of risk of EUR -155 million in the first half of 2024 , which exceeds the annual natural level for the Belfius portfolio.

The first half of 2024 stage 3 amount should be assessed, taking into account the contribution of the portfolio in run-off of EUR -54.5 million and major individual files in the Belgian economy, mainly in real estate and manufacturing. Next to this, small and medium sized businesses are contributing increasingly to the specific provisions following files entering into default, mainly in sectors construction and hotel/catering - the latter with limited exposures however.

Source of stage 3 provisions can often be found in Covid-19 and/or energy and inflation impacts, strengthened by additional financial pressure, caused by demand effects or interest cost increases. An important number of bankruptcies registered in the Belfius loan portfolio are related to in the economic sectors registering records in the Belgian market such as construction, transport and storage. Defaults were also present in the commercial real estate sector, characterised by reduced demand and lasting low investment appetite in the context of the uncertainty about the interest rates evolution, combined with increasing building costs, a strict environmental regulation. In this segment clients had difficulties in respecting in a timely manner their repayment schemes.

Furthermore, Belfius was able to account for significant stage 3 reversals on some older Corporate files in default (for an amount of EUR 43 million).

6.7.4 Asset quality – Asset quality ratio

At the end of June 2024, the amount of impaired loans added up to EUR 2,556 million, a +13% increase compared to year-end 2023. During the same period, the gross outstanding loans to customers increased by +2% and amounted to EUR 117,700 million. As a consequence, the asset quality ratio evolved to 2.17% at the end of June 2024 (1.95% at the end of 2023). The coverage ratio on impaired loans evolved to 52.7%, compared to 56.0% at the end of 2023.

At the end of June 2024, the total impairment stock (stage 1, 2 and 3) amounted to EUR 2,220 million compared to EUR 2,194 million at the end of 2023, representing an EUR 27 million increase. Underlying reversals were performed in stage 1 and 2, the provisioning against expected credit losses for files entering in stage 3.

6.7.5 Market risk

(i) Overview

Overall, market risk can be understood as the potential adverse change in the value of a portfolio of financial instruments due to movements in market price levels, to changes of the instrument's liquidity, to changes in volatility levels for market prices or changes in the correlations between the levels of market prices.

The management of market risk within Belfius is focused on all Financial Markets activities of the Issuer and encompasses 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.

Market risk of Belfius Insurance is separately managed by its ALCo. Belfius Insurance's strategic ALCo makes strategic decisions affecting the balance sheets of the insurance companies and their financial profitability, taking into consideration the risk appetite as pre-defined with the Belfius Bank and Insurance group (i.e. directional ALM position in interest rate risks, equity and real estate risks, volatility and correlation risks).

Although markets were relatively calm in the first half of 2024, uncertainty around potential interest rates cuts was high driven by higher than expected inflation. Under those circumstances the P&L of financial market activities remained above the budgeted level.

Existing hedges on Credit Value Adjustment (CVA)²⁴/Funding Value Adjustment (FVA), in place since the first half of 2020, perform well, keeping the P&L volatility to a minimum. Credit spread macro hedges have been adapted to better align with the existing clusters of exposure. Consequently, only a limited number of non-hedgeable risks remain, the most relevant one being the Belfius' own funding spread.

Due to increased idiosyncratic risks, pro-active FX hedging of XVA with forex options have been realised, adding an additional effective tool within our toolbox for the management of this exposure.

Market risk RWA remained at the level of end 2023 (a small decrease from EUR 2.4 billion to EUR 2.3 billion).

(ii) Structural & ALM risk

Interest rate risk of the banking activities

In respect to the interest rate risk, Belfius Bank pursues a risk management of its interest rate positions in the Banking book within a well-defined internal and regulatory limit framework, with a clear focus on generating stable earnings and preserving the economic value of the balance sheet and this in a macro-hedging approach, thoughtfully considering natural hedges available in the Issuer's balance sheet.

The management of non-maturing or 'on demand' deposits (such as payment and savings accounts) and non-interest-bearing products use portfolio replication techniques. The underlying hypotheses concerning expected duration, rate-fixing period and tariff evolution are subject to constant monitoring and, if necessary, they are adjusted by the ALCo. Implicit interest rate options like prepayment risk are integrated through behavioural models. All ALM models are following the three lines of defense.

²⁴ This is the price that an investor would pay to hedge the counterparty risk of a derivative instrument.

Interest rate risk has two aspects: economic value of equity volatility and earnings volatility. The measurement of both is complementary in fully understanding the interest rate risk in the Banking book.

The Issuer's ALM objective gives priority to protect the net interest income from downward/upward pressures in the current volatile interest rate environment, while respecting the risk appetite limits on the variation of economic value.

Economic value indicators capture the long-term effect of the interest rate changes on the economic value of equity of the Issuer. Interest rate sensitivity of economic value measures the net change in the ALM balance sheet's economic value (at run off balance sheet assumption) if interest rates move by 10 bps across the entire curve. The long-term sensitivity of the ALM perimeter was EUR -77 million per 10 bps on 30 June 2024 (compared to EUR -75 million per 10 bps on 31 December 2023), excluding interest rate positions of Belfius Insurance and of the pension funds of Belfius Bank.

The Earnings at Risk indicators capture the more shorter-term effect of the interest rate changes on the earnings of the Issuer (under a stable balance sheet assumption). Therefore, indirectly through profitability, interest rate changes can also have a shorter-term solvency impact. A 100 bps increase of interest rates has an estimated impact on net interest income (before tax) of EUR -67 million of the next book year and an estimated cumulative impact of EUR -63 million over a three year period, whereas a 100 bps decrease would lead to an estimated impact of EUR +2 million over the next book year and an estimated cumulative impact of EUR -125 million over a three year period (compared to EUR -14 million, resp. EUR +71 million for a similar rate shock of +100 bps and EUR -2 million, resp. EUR -187 million for a rate shock of -100 bps end of last year).

Next to directional interest rate risk, also curvature risk, due to steepening or flattening of the interest rate curve, is monitored within a normative framework by the ALCo. The same applies to basis spread risk between Euribor and €STR and cross-currency spread risk.

During this first half year of 2024, the interest rate curve remains inverted, which impacts the maturity transformation model of a universal bank, such as Belfius Bank. Furthermore, the anticipated first rate cut from the ECB in June, has supported the fact that the interest paid to depositors still remained close to zero for payment accounts and has remained stable for savings accounts in the first half year of 2024, though at a higher level compared to the first half year of 2023, with a contained pass through on the savings accounts and a stabilising switch to term deposits. However, this rate decrease, combined with the pressure on loans tariffs in this first half year, has led to a decrease on loan tariffs.

The ALCo will remain attentive to a volatile interest rate environment with primary objective to respect the Risk Appetite Framework ("**RAF**"). ALM conventional models are regularly reviewed at the light of the macro-economic environment and prevailing interest rates.

Interest rate risk of the insurance activities

For Belfius Insurance, the ALM objective is to limit the volatility of the P&L and the economic value of the company induced by potential changes in the interest rates.

The long-term sensitivity of the Net Asset Value of Belfius Insurance to interest rates was EUR 4.9 million per 10 bps as of year 2023 relatively stable compared to EUR 3.8 million as of the last financial quarter of 2022. The earnings have a low sensitivity to interest rates for the next years, thanks to good matching in terms of duration.

Sensitivity tests on our Solvency II ratio are also quarterly performed on top of specific stress tests to monitor our exposure to the interest rate risk. Results show that our risk is limited and respect the risk appetite of the company.

(iii) Trading market risk

Financial Markets activities encompass client-oriented activities and hedge activities at Belfius Bank.

The Financial Market activities of the Issuer manage both the financial markets services for the two business segments E&E&P and IND, as well as for Group Centre portfolios and activities like the ALM of Belfius Bank and the non-core portfolios. Belfius P&L remains somewhat sensitive especially for idiosyncratic credit spread movements within its derivatives portfolio (both for E&E&P customers and in the non-core portfolios), GBP real rate movements within its non-core ALM yield bond portfolio and for its funding conditions.

No Financial Markets activities are undertaken at Belfius Insurance. For their needs in Financial Markets products, they turn to Belfius Bank or other banks.

6.7.6 Liquidity risk

(i) Liquidity risk at Belfius Bank

Liquidity management framework

Belfius Bank manages its liquidity with a view to complying with internal and regulatory liquidity ratios. In addition, limits are defined for the balance sheet amount that can be funded over the short term and on the interbank market. These limits are integrated in the RAF approved by the Board of Directors and reported on a quarterly basis. Available liquidity reserves also play a key role regarding liquidity: at any time, Belfius Bank ensures it has sufficient quality assets to cover any temporary liquidity shortfalls, both in normal markets and under stress scenarios. Belfius Bank defined specific guidelines for the management of LCR eligible bonds and non LCR eligible bonds, both approved by the Management Board. All this is laid down in the liquidity guideline, approved by the ALCo.

Asset and Liability Management (ALM), a division situated within the scope of the Chief Financial Officer (CFO), is the front-line manager for the liquidity requirements of Belfius Bank. It identifies, analyses and reports on current and future liquidity positions and risks and defines and coordinates funding plans and actions under the operational responsibility of the ALCo and under the general responsibility of the Management Board. The funding plan is approved together with the financial plan by the Board of Directors, which delegates its execution to the ALCo. The ALCo also bears final operational responsibility for managing the interest rate risk contained in the banking balance sheet via the ALM department.

ALM organises a regular Asset and Liability Forum (ALF), in the presence of the Risk department, the Treasury department of the Financial Markets and representatives of the commercial business lines. The Asset and Liability Forum is in the first place a discussion forum on all topics with a link to the ALCo in preparation to the ALCo memos. This forum has been mandated by the ALCo to translate the strategic funding plans into tactical and operational funding strategies aligned to the financing needs stemming from Belfius' balance sheet and within the regulatory constraints (including LCR, NSFR, encumbrance and minimum requirement for own funds and eligible liabilities ("MREL")).

ALM monitors the funding plan to guarantee Belfius Bank will continue to comply with its internal and regulatory liquidity ratios.

ALM reports daily to the CFO and CRO and quarterly to the Board of Directors about the Issuer's liquidity situation.

Second-line controls for monitoring the liquidity risk are performed by the Risk department, which ensures that the reports published are accurate, challenges the retained hypotheses and models, realises simulation over stress situations and oversees compliance with limits, as laid down in the Liquidity Guidelines.

Exposure to liquidity risk

The liquidity risk at Belfius Bank is mainly stemming from:

- the variability of the amounts of commercial funding collected from individuals and business customers, small, medium-sized and large companies, public and similar customers and allocation of these funds to customers through all type of loans;
- the volatility of the collateral that is to be deposited at counterparties as part of the CSA framework for derivatives and repo transactions (so called cash & securities collateral);
- the value of the liquid reserves by virtue of which Belfius Bank can collect funding on the repo market and/or from the ECB;
- the capacity to obtain interbank and institutional funding.

This first semester of 2024, Belfius maintained its strong liquidity position, thanks to stable commercial funding, and complemented by short term and long term wholesale funding, as our strong rating and good perception from wholesale investors made it possible to easily access the markets.

Consolidation of the liquidity profile

As at 30 June 2024, Belfius preserved its diversified liquidity profile by:

- maintaining a funding surplus within the commercial balance sheet of EUR 5.8 billion;
- increasing diversified long-term funding from institutional investors with EUR 2.1 billion compared to end of 2023;
- collecting short and medium-term deposits of EUR 6.0 billion from institutional investors as at 30 June 2024;
- issuing ECB eligible retained covered bonds, with an outstanding of EUR 3.7 billion as at 30 June 2024.

The participation of Belfius Bank in the ECB targeted longer-term refinancing operations ("TLTRO") III funding programme came to an end in March 2024.

Belfius Bank closed the first half year of 2024 with a 12-month average LCR of 136%. This decrease since end of December 2023 (139%), is mainly explained by the repayment of the TLTRO, a continued strong growth in commercial loans, partly compensated by increased Wholesale funding, and improved net collateral position. The high quality liquid assets (HQLA) end of June 2024 are composed of 68% Level 1 cash, 29% Level 1 bonds, 3% Level 2A bonds and 1% Level 2B bonds.

The Net Stable Funding Ratio (NSFR), based on the binding CRR 2 rules and calculated according to EBA templates, stood at 130% at the end of June 2024, an increase compared to end of December 2023 (128%) also explained by the repayment of the TLTRO, the continued

growth in commercial loans, the increased Wholesale funding, and the improved net collateral position.

Funding diversification at Belfius Bank

The total funding of Belfius Bank amounted to EUR 142.6 billion as at 30 June 2024 compared to EUR 141.1 billion as at end December 2023.

Belfius Bank has a funding profile that consists of mainly commercial funding (82%), senior wholesale funding (5%), secured funding (7%), net unsecured ST interbank funding (4%), and subordinated debt (2%).

Belfius Bank, as a universal bank, has a stable volume of commercial funding that comes from its Individuals (IND) and Entrepreneurs, Enterprises and Public (E&E&P) customers. IND and E&E&P funding equals EUR 117.2 billion of which EUR 74.2 billion is from IND. The total commercial funding compared to end December 2023 remained stable, with some changes within the business lines.

The loan-to-deposit ratio, which indicates the proportion between assets and liabilities of the commercial balance sheet, increased and stood at 94% at the end of June 2024 as the growth in commercial loans was strong whereas the funding remained stable.

The commercial dynamic paradigm continues to change, and Belfius Bank increasingly returns to the wholesale markets. Belfius Bank receives medium-to-long-term wholesale funding, including EUR 7.0 billion from covered bonds (EUR 5.8 billion backed by mortgage loans and EUR 1.2 billion by public sector loans), and EUR 4.9 billion from preferred senior wholesale unsecured as at 30 June 2024.

During 2024, Belfius Bank attracted already EUR 2.6 billion wholesale funding through issuances of covered bonds (EUR 0.75 billion) preferred senior unsecured (EUR 0.8 billion, of which EUR 0.75 billion in green format) non-preferred senior unsecured (EUR 0.5 billion), and Tier 2 (EUR 0.5 billion).

The remainder of the Issuer's funding requirements comes from institutional short-term deposits (Treasury) mainly obtained through placement of Certificates of Deposit and Commercial Paper (CP).

As a result of derivative contracts to cover the interest rate risk of its activities, Belfius Bank has an outstanding position in derivatives for which collateral must be posted and is being received (cash and securities collateral). In net terms, Belfius Bank posts more collateral than it receives. With the decrease in long term interest rates during the first half year of 2024, however, the net cash collateral position improved from EUR 6.4 billion end of December 2023 to EUR 5.3 billion end of June 2024.

Liquidity reserves

At the end of June 2024, Belfius Bank had available liquidity reserves of EUR 45.5 billion. These reserves consisted of EUR 21.0 billion in cash, EUR 8.5 billion in ECB eligible bonds and EUR 16.0 billion in other assets also eligible at the ECB (of which EUR 12.3 billion in bank loans and EUR 3.7 billion in retained bonds).

These available liquidity reserves represent 6.7 times the Issuer's institutional funding outstanding at the end of June 2024 and having a remaining maturity of less than one year.

Encumbered assets

Encumbered assets represent the on- and off-balance sheet assets that are pledged or used as collateral for Belfius' liabilities. Belfius has encumbered a part of its loan portfolio for issuing covered bonds and residential mortgage-backed securities (RMBS). Furthermore, assets are encumbered for repurchase agreements and collateral swaps. Part of Belfius' encumbrance results from collateral posted to secure derivatives transactions.

Belfius is active on the covered bond market since the set-up of the first covered bond programme in 2012.

The Issuer also collects funding through repo markets for a limited amount and other collateralised deposits. A small part of the credit claims is pledged directly as collateral for intraday liquidity.

Since 2017 in the context of the management of its liquidity buffer, Belfius is also active in securities lending transactions under agreed Global Master Securities Lending Agreements (GMSLA).

The balance of encumbered assets is mainly linked to issued covered bonds, and collateral pledged (gross of collateral received) for the derivatives exposures under the form of cash or securities. A significant part of collateral pledged is financed through collateral received from other counterparties with whom the Issuer concluded derivatives in the opposite direction. The exceptional drawing on the TLTRO III has led to a higher-than-normal Asset Encumbrance Ratio. However, in 2024, the Issuer repaid in full the TLTRO III.

As of end of June 2024 (point-in-time), the sources of asset encumbrance (matching liabilities) mainly consisted of:

- own covered bonds issued (EUR 7.0 billion);
- derivatives exposures (EUR 3.1 billion);
- repurchase agreements (EUR 3.0 billion).

(ii) Liquidity risk at Belfius Insurance

As an insurance company in terms of liquidity management, Belfius Insurance engages mainly in life insurance liabilities at relatively long term that are largely stable and predictable. Consequently, the funding requirement is quite limited. The premiums paid by policyholders are placed in long-term investments in order to guarantee the insured capital and committed interests at the contract's maturity date. Our liquidity indicators demonstrate that Belfius Insurance constantly holds enough liquid assets to cover its commitments on the liability side of the balance sheet.

In order to ensure that all short-term liquidity requirements can be met, Belfius Insurance has embedded liquidity management in its day-to-day activities through:

- investment guidelines that limit investments in illiquid assets;
- Asset Liability Management, ensuring that investment decisions take into account the specific features of the liabilities;
- policies and procedures put in place to assess the liquidity of new investments;
- follow up of the short-term treasury needs.

In addition, Belfius Insurance also holds a significant amount of unencumbered assets (mainly in governments bonds) eligible for repos in the context of its liquidity management.

The Investment department is responsible for Belfius Insurance's liquidity and cash flow management. Therefore, it uses long-term projections of the cash flows of assets and liabilities. These cash flows are simulated under both normal and stressed situations

6.7.7 Minimum requirement for own funds and eligible liabilities

On 15 December 2023, the NBB notified Belfius that going forward it has to execute the SRB MREL instruction regarding the minimum requirement for own funds and eligible liabilities at the consolidated level of Belfius Bank under BRRD2. For Belfius Bank, the MREL requirement on a consolidated basis is set at 23.75% of Total Risk Exposure Amount (TREA) and at 7.07% of Leverage Ratio Exposure (LRE).

The SRB MREL instruction also defines a subordination requirement: Belfius Bank must meet at least 15.21% of TREA and 7.07% of LRE by means of subordinated MREL. Own funds used to meet the combined buffer requirement (CBR) set out in Directive 2013/36/EU (at 4.77% of TREA for Belfius for the first half of 2024) are not eligible to meet the requirements expressed in TREA.

Belfius meets its BRRD2 MREL requirements at the end of the first half of 2024. Indeed, expressed in TREA, Belfius MREL (of EUR 21.8 billion) amounts to 30.54% to be compared with 28.52% as 2024 requirement (including CBR).

In the same way, Belfius MREL sub capacity of EUR 16.2 billion amounts to 22.76% of TREA, to be compared with 19.98% in terms of requirement (including CBR). Expressed in LRE, Belfius MREL sub capacity of 9.08% stands in excess of 7.07% MREL requirement.

6.7.8 Operational risk – Non-Financial Risk (NFR)

(i) Non-Financial Risk Management Framework

Non-Financial Risk (“**NFR**”) must be understood as a broad umbrella covering all risks except “financial risks” (the latter encompassing market, ALM, liquidity, credit and insurance risks). NFR covers among others operational risks (including fraud, HR, IT, IT-security, business continuity, outsourcing, data-related and privacy) as well as (but not limited to) reputational, compliance, legal, tax and ESG risks.

The NFR management framework determines the principles that ensure an effective management of the non-financial risks. The principles are further elaborated in specific policies and guidelines adapted to the business activities. These general principles are following the applicable legal and regulatory requirements.

The framework is based on the following pillars:

- a risk taxonomy and a risk mapping in order to ensure consistency within the organisation, including a regular review of this mapping and taxonomy to identify emerging risks;
- clear roles and responsibilities, as well as a well-defined way of working together for all the risks based on the three LoD (3 LoD) model (decentralised responsibility);
- a strong governance/committee structure involving the appropriate level of management;
- a RAF definition and monitoring;

- transversal risk processes and dedicated risk management frameworks, which are structured into the following main domains: Change Risk Management, Integrated Risk Management, Risk Culture & Governance, Operational Resilience, Information Security and Data Privacy.

This framework provides comprehensive risk management and sound risk governance, to ensure an effective and efficient identification, assessment, mitigation and monitoring of non-financial risks.

(ii) Transversal risk processes

NFR domain – Change Risk Management

Being and staying 'inspiring and meaningful for the Belgian society' implies continuous innovation. In that context, change risk management is a corner stone of the global risk management framework, with the New Product Approval Process (NPAP) and Project Risk Management as the main contributions.

New Product Approval Process

The process of developing or changing a function (product, service, activity, process or system) involves a sound (*ex-ante*) risk assessment, the so-called New Product Approval Process (NPAP). Its purpose is to ensure that all risks related to any new or changed function are assessed by relevant experts and addressed accordingly and that they are overseen by a dedicated steering committee.

It is a risk-based process with special attention to the due implementation of binding conditions.

Project Risk Management

The ability to deliver projects with high quality standards within the designated timeframe is a key success factor. In that context, a Project Risk Management aims at correctly and timely identifying risks and implement the necessary controls and mitigation plans following a risk-based approach. This framework has been applied to strategic programs and their sub-projects, and the outcomes have been integrated into the Strategic Project Reporting presented to the Board of Directors.

NFR domain – Integrated Risk Management

Incident Management

The systematic collection and control of data on operational incidents is one of the main requirements of the Basel Committee regarding operational risk management.

The reporting mechanisms ensure that the responsible parties are notified quickly when incidents occur. Major incidents are investigated thoroughly and are reported to the CRO/ Management Board. Such incidents are also subject to specific action plans and appropriate follow-up, under the responsibility of the concerned line management, for avoidance, mitigation or limitation of the related risk.

The main areas of operational losses remain essentially due to incidents associated with external fraud where leasing activities are an important contributor, and incidents in relation to execution, delivery and process management. Other categories remain limited in amount but not necessarily in number of events. The retail business accounted for the most significant part of the financial impact resulting from operational incidents.

Self-Assessment of Risks and Internal Controls

Another important task of risk management is the analysis of the overall main potential risks and related key controls, performed within Belfius Group's main entities. This is achieved through a bottom-up self-assessment of risks and internal controls (SARIC) in all departments and subsidiaries, using the COSO methodology to determine the internal control level. These exercises may result in the development of additional action plans to further reduce potential risks. They also provide an excellent overview of the main risk areas in the various businesses. They are conducted annually, and the results are submitted to the respective Boards of Directors. Belfius Bank also submits the senior management report on the assessment of the internal control to its regulators.

The risk profile resulting from the SARIC exercise is quite stable in terms of identified major inherent risks; and remains acceptable regarding global level of both quality of controls & residual risk profile.

Fraud risk management and 2nd LoD Branch Audit

Belfius applies a zero-tolerance policy for all forms of fraud (internal, external, and mixed fraud schemes), monitors the threats continuously and manages these risks based on a global anti-fraud policy as defined and steered by senior management. The roles and responsibilities have been clearly defined with business and support lines as the first risk managers. The CRO and NFR team, including the Anti-Fraud Officer as expert, have a clear 2nd LoD role. With the integration of Investigation & Branch Audit with NFR, a step towards a more holistic approach towards prevention, detection and remediation of fraud risk management has been taken. Processes are screened and internal controls evaluated to prevent fraud and this to protect the interests of Belfius and its employees, customers, suppliers, and other stakeholders.

Branch Audit, as part of the Risk function and from a 2nd LoD perspective, focusses specifically on traditional 'physical' distribution channels for which it provides through on site reviews an assurance on the degree of control for the risk generated during human intervention in the distribution process and which require a physical presence on site in order to be assessed. Branch Audit also formulates advices in order to improve the functioning of the internal control system with those distribution channels.

Managing insurance policies

Belfius mitigates the possible financial impact of operational risk by taking insurance policies, principally covering professional liability, fraud, theft, and interruption of business and cyber risk. This is standard practice in the financial services' industry.

Outsourcing risk

Belfius recognises the importance of addressing outsourcing and third-party risk and fully assumes its responsibilities, including but not limited to overseeing and managing the concerned arrangements and the risks involved, whilst ensuring compliancy with the "Final Report on EBA Draft Guidelines on Outsourcing Arrangements". A dedicated steering (risk) committee ensures a well governed and coordinated outsourcing strategy in line with Belfius strategy, risk appetite and regulatory requirements. The framework has been recently thoroughly revised, including a new target operating model and an extended coverage for all third parties (vendors, suppliers, partners, etc), which will further ensure their life-cycle (risk) management from engagement to termination, based on a new risk-based approach.

Permanent control

Effective risk management requires special attention to internal systems control. Belfius has implemented Permanent Control functions to provide ongoing assurance on the adequacy and effectiveness of the control environment.

In addition to the organisational deployment of the permanent control function, control testing campaigns are launched to test the main internal controls within the Issuer and evaluate their appropriateness, effectiveness and efficiency. If major gaps are identified during testing, action plans are developed to address them.

NFR domain – Risk culture and Governance

The formal definition of a RAF is the key reference for the group Risk Management practice covering both financial and non-financial risks.

The RAF for NFR contains quantitative elements (target values or ratios) and qualitative elements.

The RAF is continuously updated and improved regarding RAF indicators, with constant challenges at the governance level and an improving level of maturity.

NFR domain – Operational Resilience

Business continuity and crisis management

Belfius is committed to its clients, counterparties, and regulators to establish, maintain, and test viable alternative plans that, in the event of an incident, enable the continuation or resumption of critical business activities at the agreed operational level and in compliance with Belgian regulations.

The supporting process, the business continuity and crisis management, is aligned with the ISO22301 standard and the BCI Good Practice Guidelines. It is applied in a uniform way at all Belfius entities and relies on among others, threat analysis, business impact analysis, reallocation strategies (dual office, remote and homeworking, etc.), effective management reporting, business continuity plans as well as exercise and maintenance programs.

Several exercises have been conducted to test Belfius' ability to react, of which several tabletop exercises to test our capacity to react to tail risks, such as staff reallocation on sites in case of telework failure or resolution planning in accordance with SRB expectations.

Crisis management has also been reviewed to enhance Belfius' response in crisis situations, particularly in the event of cyber-attack.

As a result, Belfius' Business Continuity Management process is highly developed and ensures the institution's future resilience.

Employment Practices (HR) & Workplace Safety, Damage to Assets & Public Safety risk

Belfius has a very low appetite for physical security and workplace safety risks and strives to provide a safe environment for its staff, clients, guests, and assets by ensuring that its physical security measures and procedures meet high standards. In this regard, a dedicated risk committee systematically monitors the overall situation, especially in case of potential incident.

Information Security Management

The purpose of information security is to protect Belfius' data and information, including that belonging to Belfius' customers, against loss of integrity, loss of confidentiality; and unplanned unavailability. To this end, Belfius has developed and deployed its own Information Security Management System (ISMS) framework, which is inspired by ISO 27000 but includes additional control objectives.

Belfius continued to deploy ISMS controls, following a risk-based approach. Additionally, the publication of the regulatory technical standards for the Digital Operational Resilience Act (DORA) has marked a milestone as they now need to be integrated into our ISMS deployment effort. Another milestone was the 2024 ECB stress test on cyber resilience. The different initiatives related to information security have been synthesised into a global roadmap.

Data Privacy Management

Respect for privacy and customer satisfaction

The respect for privacy and the protection of personal data is a key commitment at Belfius, which is translated into a sound internal governance and principles to be followed in the respect of GDPR.

To continuously ensure data privacy within Belfius, the Privacy Committee related to GDPR meets regularly. Belfius' Management and several committees are regularly informed about GDPR at Belfius.

The Data Privacy Officer ("DPO") is part of the 2nd line of defence. A network of privacy correspondents, active in each department, work closely with the DPO to continuously raise awareness, control, and monitor processes and activities being in line with GDPR.

GDPR conformity, including a risk assessment for the rights and freedom of the owners whose personal data is treated, is ensured in every process involved in offering existing, adapted, and new products, innovative digital tools, services, and information sharing to its clients.

This includes reviewing the privacy notice, implementing an adapted cookie policy and adhering to the rulings of the European Court of Justice on eventual international transfers or access to personal data.

All activities treating personal data are documented in a privacy register by the business lines and Belfius is highly committed to avoiding personal data breaches and managing any incidents as quickly as possible.

Data subjects can exercise their rights through various means, including the Belfius' online and mobile applications.

6.7.9 ESG risk²⁵

During the first quarter of 2024, Belfius has updated its ESG Action plan for 2024 which defines ESG priorities from a risk management and strategic perspective.

From a risk perspective, the priorities are: enhancing the integration of ESG into the credit risk framework and further developing ESG risk assessment and simulation tools to improve climate stress tests.

²⁵ Unaudited.

Regarding credit risk, Belfius worked further on the integration of ESG criteria into lending processes for mortgages and corporates during the first half of 2024. Regarding ESG tools, the main progress achieved relates to the development of a new cash flow simulation tool for corporate allowing to better capture transition risks and the finetuning of the mortgage simulation tool that covers both transition and physical risks.

Building on the results from its 2023 Climate and Environmental Risks Materiality Assessment, Belfius also redefined priorities for counterparties' data collection and credit analyses and enhanced its climate stress scenarios. The conclusions from the materiality assessment are also underpinning the reflections around the ESG strategy.

In parallel, next to the first ESG risk management framework drafted in 2023, an ESG risk model framework was added in order to further integrate the management of ESG risks within the risk organisation.

(i) Risk identification and assessment

In 2023, Belfius carried out a first Climate and Environmental Risks Materiality Assessment (CERMA) to determine which climate and environmental risks are or could become material to its activities.

The exercise resulted in a simulated potential magnitude of climate and environmental risks' impact on Belfius' solvency and liquidity profiles, allowing the bank to identify the sectors within its portfolio that are most sensitive to climate and environmental risks.

Building on these results, in the first half of 2024, Belfius further worked on:

- prioritising data collection for counterparties with higher exposures to transition risks;
- identifying attention points in credit analysis for counterparties in sectors more vulnerable to climate and environmental risks;
- feeding the ongoing reflection on the ESG strategy;
- enhancing its climate stress tests scenarios with more deep dive analyses on most material climate and environmental risks and most sensitive sectors.

In the same period, Belfius continued to integrate ESG considerations into its credit risk framework through a range of measures, such as:

- integrating additional ESG considerations into the credit granting process;
- using more systematically ESG-related covenants in lending criteria for enterprises and entrepreneurs;
- adding an ESG component to the credit limit framework.

Furthermore, Belfius is in the process of adjusting its lending criteria for mortgages by taking into account various ESG considerations, such as:

- reflecting renovation obligations and costs for the less energy efficient buildings in its lending policies;
- adapted pricing for energy-efficient mortgages and properties with energy efficiency loans;
- inclusion of EPC considerations in the collateral valuation for mortgage loans.

(ii) Quantification, Metrics and Monitoring

Belfius' sensitivity to climate and environmental risks should remain fairly limited as it relies on the overall sound composition and risk profile of its balance sheet to mitigate credit impacts, as evidenced by the follow-up of the main key risk indicators in this field which show that as at the end of the first half of 2024:

- Belfius holds only minor exposures to fossil fuel activities (~1% of NFC exposures);
- the share of climate sensitive exposures (defined at sectoral level) remains reasonable (58.5%) with low exposures toward the most sensitive sectors such as agriculture (0.3%) and mining (0.1%);
- the share of mortgage loan collateralised by buildings located in a high-medium flood risk zone is still very limited (1.9%).

Belfius has made significant progress in enhancing its ESG risk quantification and monitoring efforts, as evidenced by the run of a new climate stress tests for its corporate and mortgage portfolios. The former focuses on transition risk covering the corporate portfolio for the five most transition-sensitive sectors (based on CERMA results & Belfius exposures). The latter focuses on transition risk covering the mortgage portfolio.

These achievements build on the latest of a series of developments in Belfius' ESG tools, including:

- the development of a new cash flow simulation tool which projects the impact of climate risk factors (such as higher CO2 and energy costs and required green transition investments) on the financial statements of (mid)corporates in the short, medium and long-term (2022-2050);
- the further development of the mortgage tool which forecasts the evolution of the risk profile of the mortgage loan portfolio (both asset value and client creditworthiness) in the short and medium term (until 2035), taking into account transition risk (various energy performance improvement trajectories) and physical risks (floods).

Through these exercises Belfius has defined a first model structure to assess transition risks for both mortgages and corporates portfolio and identified the future improvements needed to refine its stress test results.

6.8 Ratings

Between 1 January 2024 and 29 August 2024, rating agencies took the following decisions:

- On 28 June 2024, Moody's affirmed Belfius Bank's long-term rating at A1 while Moody's upgraded Belfius Bank's Standalone Rating (Baseline Credit Assessment or BCA under Moody's terminology) from baa1 to a3. The latter also resulted in an upgrade of the Non-Preferred Senior, the Tier 2 and the Additional Tier 1 rating with one notch. The outlook was subsequently changed from Positive to Stable;
- On 27 June 2024, Fitch affirmed Belfius Bank's long-term rating at A- with Stable outlook.

As at the date of this Prospectus, Belfius Bank had the following ratings:

	Stand-alone rating (*)	Long-term rating	Outlook	Short-term rating
Fitch.....	a-	A-	Stable	F1
Moody's.....	a3	A1	Stable	Prime-1
Standard and Poor's.....	a-	A	Stable	A-1

() Intrinsic creditworthiness*

Each of Fitch, Moody's and Standard and Poor's is established in the European Union and is registered under Regulation (EU) No 1060/2009, as amended. Each of Fitch, Moody's and Standard and Poor's is displayed on the latest update of the list of registered credit rating agencies on the ESMA website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>). This website and the information contained thereon does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised nor approved by the FSMA.

The rating agencies, Standard & Poor's, Moody's and Fitch Ratings or other rating agency if applicable, use ratings to assess whether a potential borrower will be able in the future to meet its credit commitments as agreed. A major element in the rating for this purpose is an appraisal of the company's net assets, financial position and earnings performance.

In addition, Belfius Bank is wholly owned by the Belgian federal state through the Federal Holding and Investment Company, and it is possible that, if the ratings assigned to the Belgian federal state were to be downgraded, that could result in the ratings assigned to Belfius Bank being negatively affected. Moreover, as the ownership of a bank is one of the factors taken into in determining a bank's rating, a change of ownership of Belfius Bank could have a potential impact on the ratings assigned to Belfius Bank.

A bank's rating is an important comparative element in its competition with other banks. It also has a significant influence on the individual ratings of a bank's important subsidiaries.

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

6.9 Other information

6.9.1 Dependency of the Issuer

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.

6.9.2 Arrangements resulting in a change of control

As at the date of this Base Prospectus, there are no arrangements known to Belfius Bank, the operation of which may at a subsequent date result in a change of control of Belfius Bank.

6.9.3 Recent events

On 4 September 2024, Belfius Bank concluded a settlement (*règlement transactionnel*) with the FSMA consisting of the payment of an amount of EUR 1 million by Belfius Bank, its commitment to reinforce its legal risk management and a publication, by name, on the FSMA's website. For further information, see Section 6.11.1 "Composition of the Management Board and the Board of Directors".

Other than as stated in the paragraph above and in the section entitled "*Post-balance sheet events*" above, as at the date of this Base Prospectus there are no recent events particular to Belfius Bank which are, to a material extent, relevant to the evaluation of its solvency.

6.10 Litigation

Belfius (Belfius Bank and its consolidated subsidiaries) is involved as a party in a number of litigations in Belgium, arising in the ordinary course of its business activities, including those where it is acting as an insurer, capital and credit provider, employer, investor and taxpayer.

Belfius recognises provisions for such litigations when, in the opinion of its management taking into account all available elements, including an analysis by its company lawyers and external legal advisors as the case may be:

- a present obligation has arisen as a result of past events;
- it is probable that Belfius will have to make a payment; and
- the amount of such payment can be estimated reliably.

With respect to certain other litigations against Belfius, of which management is aware, no provision has been made according to the principles outlined here above, as the management is of the opinion, after due consideration of appropriate advice, that, while it is often not feasible to predict or determine the ultimate outcome of all pending litigations, such litigations are without legal merit, can be successfully defended, or that the outcome of these actions is not expected to result in a significant loss.

In the opinion of Belfius, the most important cases are listed below, regardless of whether a provision has been made or not²⁶. Their description does not deal with elements or evolutions that do not have an impact on the position of Belfius. If the cases listed below were to be successful for the opposite parties, they could eventually result in monetary consequences for Belfius. For litigations for which no provision has been made, such impact remains unquantifiable at this stage.

²⁶ Please note that, where relevant, Article 92 of IAS37 may apply to this section.

6.10.1 Arco - Cooperative shareholders

Various parties, including Belfius Bank, have been summoned by Arco - Cooperative shareholders in three separate procedures, i.e.:

- A procedure before the Dutch speaking Commercial Court of Brussels (Procedure C.C. Deminor)
- A procedure before the Court of First Instance of Brussels (Procedure C.F.I. ArcoClaim 2018)
- A procedure before the Court of First Instance of Brussels (Procedure C.F.I. Deminor 2022)

(i) Procedure C.C. Deminor

On 30 September 2014, 737 shareholders from three companies of the Arco Group (Arcopar, Arcoplus and Arcofin) initiated (with support of Deminor) proceedings against the Arco entities and Belfius Bank before the Dutch-speaking Commercial Court of Brussels (the “Deminor Proceedings”). On 19 December 2014, 1,027 additional shareholders of the Arco entities joined in the Deminor Proceedings. On 15 January 2016, 405 additional shareholders of the Arco entities joined the Deminor Proceedings, resulting in a total of 2,169 plaintiffs. On 16 November 2020, a further “Deminor” procedure was initiated, in which all plaintiffs except one joined, to anticipate a possible nullity of the original summons. The content of the two proceedings is identical. As a result, they are treated together.

The plaintiffs have requested that the Brussels Court rules, among other things:

- in first order, that the agreements by virtue of which they became shareholders of the relevant Arco entities are null and void as a consequence of an alleged defect in consent;
- that the defendants should therefore, in solidum, reimburse the plaintiffs for their financial contribution in these entities plus interest;
- in the alternative, a compensation is asked of Belfius Bank for an alleged violation of the information duty; and
- that the defendants are liable for certain additional damages to the plaintiffs.

The historical financial contribution of the 2,169 plaintiffs to the Arco Group entities, for which reimbursement is claimed, amounted to approximately EUR 6.5 million (principal amount). The plaintiffs’ claims in the Deminor Proceedings are based on allegations of fraud and/or error on the part of the Arco entities and Belfius Bank. In the alternative, the plaintiffs have argued that Belfius Bank breached its general duty of care as a normal and prudent banker. In relation to Belfius Bank, the plaintiffs have referred to certain letters and brochures allegedly containing misleading information issued by the predecessors of Belfius Bank. The Belgian State, DRS Belgium (Deminor) and the Chair of the Management Board of the Arco entities are also defendants in the proceedings before the Commercial Court of Brussels. In the meantime, the VZW Arcoclaim also intervened in this litigation procedure (on grounds of an alleged transfer of claim by one of the plaintiffs/Arco shareholders). The case has been pleaded during several pleading sessions in June 2021. In its decision announced on 3 November 2021, the Dutch-speaking Commercial Court of Brussels rejected all the claims of the Arco shareholders.

The Arco shareholders have launched an appeal against this judgement. The case is now pending before the Court of Appeal in Brussels. A pleading calendar has been determined. A pleading hearing is currently expected at the earliest in the second half of 2028.

(ii) Procedure C.F.I. ArcoClaim 2018

On 7 February 2018, two Arco shareholders summoned the Belgian State before the Court of First Instance of Brussels because they state that the Belgian State has made a fault by promising and introducing a guarantee scheme for shareholders of financial cooperative companies (like the Arco shareholders) which has been considered illicit state aid by the European Commission. These two plaintiffs also summoned Belfius Bank on 8 February 2018 to intervene in this procedure and claim compensation from Belfius Bank because they consider that Belfius Bank erred in the sale of the Arco shares. Groups of Arco shareholders organised themselves via social media to mobilise other Arco shareholders to become claimant in this procedure. The VZW Arcoclaim also intervenes in this litigation procedure.

In this procedure VZW Arcoclaim had requested the initiation of a mediation procedure before the court, but this request has been dropped in May 2023. In the meantime, to date, ArcoClaim has declared that 7,258 Arco shareholders have joined ArcoClaim, in addition to 5,334 Arco shareholders already being part of ArcoClaim.

No pleading calendar has been fixed yet.

(iii) Procedure C.F.I. Deminor 2022

On 14 December 2022, ten Arco shareholders have launched a new judicial procedure with the assistance of Deminor against the Arco-companies, the Belgian State and Belfius before the Court of First Instance in Brussels, in which they ask the defending parties to be condemned to indemnification based on extra-contractual liability, equal to claimant's financial contribution including interests, dividends, and possible bonus reserves, as well as a supplementary indemnification for moral damages. In the meanwhile, to date, a total of 13,678 Arco shareholders have joined this procedure. ArcoClaim vzw also joined the procedure for one of its members.

On a hearing held on 21 March 2024, parties agreed on a procedural calendar that will first focus on the admissibility of the claims. A relay hearing is expected to be held on 10 December 2027.

As at the date of this Base Prospectus, no provision has been booked for these claims.

6.10.2 Investigations into Panama Papers

These paragraphs are mentioned for completeness only, although the matters below do not comprise a litigation. On 5 December 2017, a police search under the lead of an examining magistrate of Brussels (onderzoeksrechter/juge d'instruction) took place at the Issuer's head office in the framework of the Belgian "Panama Papers" Parliamentary Commission. The Issuer was investigated as a witness and has not been accused of any wrongdoing. The scope of the investigation is to establish whether there are any violations of anti-money laundering obligations and to investigate the link between Belfius Bank (or its predecessors), and, among others, Experta and Dexia Banque Internationale à Luxembourg (i.e. former entities of the Dexia group).

To date, Belfius Bank has not received any further information since the above mentioned police search.

6.10.3 Investigation by public prosecutor into the activities of an independent bank agency

On 12 November 2020, public prosecution has been initiated, among others against Belfius Bank, for its alleged role in potential fraudulent activities that would have been conducted with the assistance of a director of an independent bank agency of Belfius Bank in violation of several (banking) regulations. After consultation of the criminal file, Belfius continues to believe that it has sufficient valid arguments to result in these claims being declared inadmissible and/or without merit. No provision has been booked for this case.

6.11 Management and Supervision of Belfius Bank

6.11.1 Composition of the Management Board and the Board of Directors

(A) Management Board

As at the date of this Base Prospectus, the Management Board has seven 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 seven members:

Name	Position	Significant other functions performed outside Belfius Bank
Marc Raisière	Chair	none
	Vice-Chair (as from 15 October 2024)	
Olivier Onclin	Member	none
Marianne Collin	Member	none
Camille Gillon.....	Member	none
Dirk Gyselinck.....	Member	none
Olivier Onclin	Member	none
Bram Somers.....	Member	none
Johan Vankelecom	Member	none

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

Olivier Onclin was appointed as Vice-Chair of the Management Board as from 15 October 2024. As of 1 January 2025, he will be in charge of the business lines Wholesale & Public Banking, as well as People, Brand, Communications, and ESG.

As from 1 November 2024, Johan Vankelecom will no longer be a member of the Management Board. Marianne Collin will succeed Johan Vankelecom as Chief Financial Officer as soon as a new Chief Risk Officer is hired to replace her. In the meantime, Jean-François Deschamps will assume the role of interim Chief Financial Officer without being a member of the Management Board.

As of 1 January 2025, Legal will report to the Chair of the Management Board.

On 1 January 2025, Dirk Gyselinck will be in charge of the business lines Private, Wealth & Retail Banking and Belfius Asset Management. Starting from 1 November 2024, he will also chair the Board of Directors of Belfius Asset Management.

As from 1 January 2025, an Executive Committee composed of the CFO ad interim, the Deputy Director Wholesale & Public Banking, the Director People, Brand, Communications & ESG and the Director Legal will be put in place in order to support the Management Board.

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 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 advice to the Board of Directors with a view to defining or improving 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 to ensure that Belfius Bank has a robust and sustainable organisational 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.

A settlement (*règlement transactionnel*) has been concluded with the FSMA on 4 September 2024. This settlement consists of the payment of an amount of EUR 1 million by Belfius Bank, its commitment to reinforce its legal risk management and a publication, by name, on the FSMA's website. Belfius Bank has committed to strengthen its Management Board with a new member with a solid legal background (subject to approval of the competent bodies and supervisory authorities). In the meantime and from 1 January 2025, Belfius Bank will set up an executive committee, in which at least one member with a solid legal background will sit, to assist and advise the Management Board in the execution of Belfius' strategy and policy.

(B) Board of Directors

The Board of Directors defines, on proposal or recommendation of the Management Board, and, inter alia, supervises:

- the institution's strategy and objectives;
- the risk policy, including the risk tolerance level;
- the organisation of the institution for the provision of investment services, the exercise of investment activities, the provision of ancillary services, the marketing of structured deposits and the provision of advice to clients on such products, including the organisational arrangements, as well as the skills, knowledge and expertise required of

the staff, the resources, procedures and mechanisms with or by which the institution provides those services and exercises those activities; and

- the integrity policy.

In the context of this responsibility, the Board of Directors is actively involved with the general policy, in particular regarding the supervision of the risk policy, organisation and financial stability of Belfius Bank and its governance, including the definition of the credit institution's objectives and values.

Also, as Belfius Bank is head of the Belfius financial conglomerate, Belfius Bank's Board of Directors is responsible for the general policy, risk appetite and strategy of Belfius and the compliance of the subsidiaries herewith.

The Board of Directors also approves Belfius 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 at the date of this Base Prospectus, the Board of Directors consists of eighteen members, seven of whom sit on the Management Board.

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	Chair of the Board of Directors of Belfius Bank (Independent Director)	none
Marc Raisière	Chair of the Management Board	none
Olivier Onclin	Vice-Chair of the Management Board Responsible for Private, Business & Retail Banking and Customer Transaction Services	none
Marianne Collin	Member of the Management Board Chief Risk Officer Responsible for Risk Management and Compliance	none
Camille Gillon.....	Member of the Management Board Chief Transformation Officer	none
Dirk Gyselinck.....	Member of the Management Board Responsible for Wealth, Enterprises, Public, Financial Markets and Customer Loan Services	none
Bram Somers.....	Member of the Management Board	none

Name	Position	Significant other functions performed outside Belfius Bank
	Chief Technology Officer	
Johan Vankelecom	Member of the Management Board Chief Financial Officer, Responsible for Financial Reporting, ALM, Legal, Tax, Research, Strategic Planning and Performance Management (SPPM), Belfius Asset Management	none
Estelle Cantillon.....	Member of the Board of Directors of Belfius Bank (Independent Director)	FNRS Research Director at the Université Libre de Bruxelles (ULB)
Colette Dierick.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies
Daniel Falque.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies and non-profit organisations Senior Industry Advisor
Olivier Gillerot.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies and associations
Hélène Goessart	Member of the Board of Directors of Belfius Bank (Independent Director)	none
Peter Hinssen	Member of the Board of Directors of Belfius Bank (Independent Director)	Entrepreneur, keynote speaker and author
Georges Hübner	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor at HEC Liège - University of Liège
Lieve Mostrey	Member of the Board of Directors of Belfius Bank (Independent Director) as from 30 April 2025	Director of companies and associations
Isabel Neumann	Member of the Board of Directors of Belfius Bank (Independent Director)	Chief Investment Officer at Shurgard Self Storage
Lutgart Van Den Berghe.....	Member of the Board of Directors of Belfius Bank (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 (Director)	Full Professor in Financial Economics and Banking at the

Name	Position	Significant other functions performed outside Belfius Bank
		University of Ghent (UG)

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.

6.11.2 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. These directors are members of a maximum of three of these advisory committees. An Intra-Group Committee, a Technology Committee and a Belfius Art 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	Chair – Director of Belfius Bank
Chris Sunt	Member – Chair of the Board of Directors of Belfius Bank
Daniel Falque	Member – Director of Belfius Bank and Belfius Insurance

The members of the Nomination Committee have the required skills, based on their education and diverse 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 the approval of the General Meeting of Shareholders or of the Board of Directors, as the case may be, candidates suited to fill 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, draws up policies relating to suitability, diversity, induction and training of Directors. The Nomination Committee also decides on a 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;

- gives an opinion on candidate (s) suited to filling vacancies for independent control functions;
- 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;
- as the case may be gives an opinion or recommendation on reputational issues related to directors;
- plans the renewal and orderly succession of directors and persons responsible for independent control functions;
- prepares proposals for the appointment or mandate renewal, as the case may be, of directors, members of the Management Board, the Chair of the Board of Directors and the Chair of the Management Board;
- assesses the aptitude of a director or a candidate director to meet the criteria set forth for being considered as an independent director;
- examines questions relating to the matter of succession;
- establishes a general and specific profile for directors and members of the Management Board;
- ensures the application of provisions with regard to corporate governance and ensures observance of the procedures and transparency;
- 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;
- discusses general human resources topics;
- discusses and analyses the quantitative statement and qualitative analysis of communications regarding stress, burn-out and inappropriate behaviour at work and actions taken to remedy situations.

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

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

The Nomination Committee acts for Belfius Bank, Belfius Insurance and Belfius Asset Management.

(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	Chair – Director of Belfius Bank
Chris Sunt	Member – Chair of the Board of Directors of Belfius Bank
Daniel Falque	Member – Director of Belfius Bank and of Belfius Insurance
Olivier Gillerot	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 interacted regularly with the Risk Committee and the Audit Committee.

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

Within Belfius Bank, this is reflected by the formulation of an opinion on a global "Risk Gateway" and by the establishment and assessment of Key Risk Indicators on an annual basis. Their preparation is undertaken by the risks divisions, in collaboration with the human resources division.

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

The audit department at Belfius Bank will provide an independent and regular analysis of the remuneration policy and its practical implementation. The latest follow-up study was realised in 2022.

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 Chair, the non-executive members of the Board of Directors and the members of the advisory committees of the Board of Directors. The Board of Directors submits these remuneration proposals to the General Meeting of Shareholders for approval;
- developing the remuneration policy, as well as making practical proposals for the remuneration of the Chair 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 Chair and the members of the Management Board;
- providing advice on the proposals made by the Chair of the Management Board of Belfius Bank in relation to the severance remuneration for members of Belfius Bank's

Management Board. On the proposal of the Remuneration Committee, the Board of Directors of Belfius Bank determines the severance remuneration of the Chair and members of Belfius Bank's Management Board;

- advising the Board of Directors in relation to the remuneration policy for staff members whose activity has a material impact on the risk profile of Belfius Bank (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 them;
- 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 and Belfius Asset Management.

(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.....	Chair Director of Belfius Bank
Colette Dierick	Member Director of Belfius Bank
Hélène Goessaert.....	Member Director of Belfius Bank

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 joint meetings.

(D) Risk Committee

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

Name	Position
Colette Dierick	Chair Director of Belfius Bank
Estelle Cantillon	Member Director of Belfius Bank
Hélène Goessaert.....	Member Director of Belfius Bank
Georges Hübner	Member Director of Belfius Bank
Rudi Vander Vennet	Member Director of Belfius Bank

The members of the Risk Committee have the individual expertise and professional experience required to define strategy regarding risk and the level of risk appetite of an institution. They have acquired the specialisation necessary in particular as directors with other institutions and/or in their university training. Consequently, the Risk Committee has the required individual knowledge and expertise.

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 (including ESG 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;
- guaranteeing 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 facing Belfius Bank and the conglomerate (e.g. conglomerate reporting);
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Recovery Plan;

- overseeing the alignment between all material financial products and services offered to clients and the business model and risk strategy of the institution;
- reviewing a number of possible scenarios, including stressed scenarios, to assess how the institution's risk profile would react to external and internal events;
- assessing the recommendations of internal and external auditors and follows up on the appropriate implementation of measures taken.

The Risk Committee operates independently of the Risk & Underwriting Committee of Belfius Insurance. On the request of the Chair 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, without prejudice to the tasks of the Nomination Committee and the Remuneration Committee, the Risk Committee examines whether incentives in the remuneration system take proper account of 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 can take the form of a joint meeting.

(E) Intra-Group Committee

An Intra-Group Committee has been established within the Belfius group.

As at the date of this Base Prospectus, the Intra-Group Committee has the following membership:

Name	Position
Chris Sunt.....	Chair Chair of the Board of Directors of Belfius Bank
Colette Dierick	Member Director of Belfius Bank
Olivier Gillerot	Member Director of Belfius Bank
Jean-Michel Kupper	Member Director of Belfius Insurance
Stephan Slits	Member Director of Belfius Insurance

The Intra-group Committee's competences comprise the following:

- monitoring and reporting on significant intra-group transactions;
- monitoring and reporting on intra-group transactions with an important reputational impact; and

- advising on material conflicts of interest between companies belonging to Belfius Group in the context of which they fail to reach an agreement in a relatively short period of time.

(F) Technology Committee

A Technology Committee has been established within the Belfius group.

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

Name	Position
Olivier Gillerot	Chair Director of Belfius Bank
Daniel Falque	Member Director of Belfius Bank and Belfius Insurance
Peter Hinssen.....	Member Director of Belfius Bank
Céline Azizieh	Member Director of Belfius Insurance

The Technology Committee, which is responsible for Belfius Bank and its subsidiaries, advises the Board of Directors on its technology strategy, important technology investment decisions. Technology includes inter alia IT, digital and artificial intelligence.

The Technology Committee is responsible for:

- advising the Board of Directors on, and preparing the decisions of the Board of Directors with respect to, technology strategy and material technology investment choices;
- monitoring, evaluating and advising 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 maximise the customer experience value;
- assessing measures and advising 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;
- monitoring and reporting 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 inter alia. monitoring and challenging the status of the move for the cloud infrastructure (timing, pace, risk mitigation, hybrid models, talents), foundations and platforms;
- reviewing and discussing reports from management on technology related activities, strategies and metrics, including enterprise data project performance, and reporting to the Board of Directors on the same.

Responsibility for the oversight of risks associated with technology, including risk assessment and risk management, remains with the Risk Committee and Audit Committee.

(G) Belfius Art Committee

A Belfius Art Committee has been established since 2015.

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

Name	Position
Chris Sunt.....	Chair Chair of the Board of Directors of Belfius Bank
Marc Raisière	Member Chair of the Management Board of Belfius Bank
Julie Uytterhaegen	Member Head of People, Brand & Communication
Bénédicte Bouton.....	Member Head of Culture at Belfius and Curator of the Belfius Art Collection

The Belfius Art Committee has been mandated by the Board of Directors of Belfius Bank to manage the Belfius Art Collection as defined in article 10 of the Articles of Association of Belfius Bank. Within the context of this mandate, the Belfius Art Committee takes decisions with respect to the management, the conservation, the preservation, the use, the development and the evolution of the Belfius Art Collection.

6.12 Audited Consolidated Financial Statements of Belfius Bank

6.12.1 Consolidated Balance Sheet

		31 December 2022	31 December 2023	30 June 2024
		IFRS 9 & IFRS 17	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17
	Notes			
Assets		<i>(in thousands of EUR)</i>		
Cash and balances with central banks	5.2	27,295,434	20,487,140	21,139,097
Loans and advances due from credit institutions	5.3	4,143,601	5,274,249	4,219,948
Measured at amortised cost		4,143,601	5,274,249	4,219,948
Measured at fair value through other comprehensive income		0	0	0
Measured at fair value through profit or loss		0	0	0
Loans and advances	5.4	110,203,251	114,531,169	116,352,072
Measured at amortised cost		109,236,114	109,761,695	111,744,082
Measured at fair value through other comprehensive income		171,152	4,181,197	4,073,749

		31 December 2022 IFRS 9 & IFRS 17	31 December 2023 IFRS 9 & IFRS 17	30 June 2024 IFRS 9 & IFRS 17
	Notes			
Measured at fair value through profit or loss		795,986	588,277	534,240
Debt securities & equity instruments	5.5	26,996,656	27,923,609	28,293,218
Measured at amortised cost		17,494,927	13,521,835	13,687,135
Measured at fair value through other comprehensive income		4,040,914	8,718,772	8,902,997
Measured at fair value through profit or loss		1,490,882	1,506,789	1,363,176
Measured at fair value through profit or loss - unit linked		3,969,934	4,176,214	4,339,911
Derivatives	5.6	5,893,105	5,321,426	4,706,763
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6	1,134,326	1,608,587	907,427
Assets from insurance/reinsurance contracts	6.5	116,103	97,806	89,662
Insurance contracts assets		0	0	0
Reinsurance contracts assets		116,103	97,806	89,662
Investments in equity method companies	5.7	94,019	161,533	166,427
Tangible fixed assets	5.8	1,672,048	1,864,571	1,949,712
Intangible assets	5.9	236,639	326,957	340,149
Goodwill	5.10	103,966	103,966	103,966
Tax assets	5.11	397,324	494,585	604,007
Current tax assets		27,115	43,356	151,362
Deferred tax assets		370,209	451,229	452,645
Other assets	5.12	741,993	967,171	1,071,430
Non current assets (disposal group) held for sale and discontinued operations	5.13	39,684	16,582	12,914
Total assets		179,068,150	179,179,352	179,956,795

		31 December 2022	31 December 2023	30 June 2024
		IFRS 9 & IFRS 17	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17
	Notes			
Liabilities		<i>(in thousands of EUR)</i>		
Cash and balances from central banks	6.1	5,904,113	1,430,190	38,976
Credit institutions borrowings and deposits	6.2	1,869,641	3,912,390	4,649,502
Measured at amortised cost		1,869,641	3,912,390	4,649,502
Measured at fair value through profit or loss		0	0	0
Borrowings and deposits	6.3	108,447,486	104,000,435	103,106,187
Measured at amortised cost		108,427,536	103,980,476	103,086,096
Measured at fair value through profit or loss		19,951	19,959	20,091
Debt securities issued and other financial liabilities	6.4	29,898,501	36,017,933	38,834,677
Measured at amortised cost		18,517,096	23,603,069	26,388,537
Measured at fair value through profit or loss		7,411,471	8,238,650	8,106,230
Measured at fair value through profit or loss - unit linked		3,969,934	4,176,214	4,339,911
Derivatives	5.6	8,248,509	7,229,432	6,483,559
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6	-1,606,023	-1,029,463	-1,021,638
Liabilities from insurance/reinsurance contracts	6.5	10,894,869	11,405,090	11,296,477
Insurance contracts liabilities		10,894,869	11,405,090	11,296,477
Reinsurance contracts liabilities		0	0	0
Provisions and contingent liabilities	6.6	493,922	485,860	462,798
Subordinated debts	6.7	1,547,204	1,777,995	2,240,194
Measured at amortised cost		1,547,204	1,777,995	2,240,194
Measured at fair value through profit or loss		0	0	0
Tax liabilities	5.11	72,251	52,521	45,309
Current tax liabilities		63,014	45,520	37,892
Deferred tax liabilities		9,237	7,001	7,417
Other liabilities	6.8	1,387,731	1,677,607	1,664,843
Liabilities included in disposal group and discontinued operations		0	0	0
Total liabilities		167,158,206	166,959,989	167,800,883

	31 December 2022	31 December 2023	30 June 2024
	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17
Notes			
Equity	<i>(in thousands of EUR)</i>		
Subscribed capital	3,458,066	3,458,066	3,458,066
Additional paid-in capital	209,232	209,232	209,232
Treasury shares	0	0	0
Reserves and retained earnings	6,176,745	6,709,420	7,398,107
Net income for the period	931,771	1,114,538	481,709
Core shareholders' equity	10,775,814	11,491,257	11,547,114
Fair value changes of debt instruments measured at fair value through other comprehensive income	-221,928	-353,149	-574,285
Fair value changes of equity instruments measured at fair value through other comprehensive income	136,944	195,452	193,129
Fair value changes due to own credit risk on financial liabilities designated as at fair value through profit or loss to be presented in other comprehensive income	0	0	0
Fair value changes of derivatives following cash flow hedging	-112,644	-128,839	-165,238
Remeasurement pension plans	119,933	125,752	115,683
Total insurance/reinsurance finance component recognised in other comprehensive income	679,972	353,669	496,527
Other reserves	208	208	208
Gains and losses not recognised in the statement of income	602,485	193,093	66,023
Total shareholders' equity	11,378,300	11,684,350	11,613,137
Additional Tier-1 instruments included in equity	497,083	497,083	497,083
Non-controlling interests	34,561	37,929	45,691
Total equity	11,909,944	12,219,362	12,155,912
Total liabilities and equity	179,068,150	179,179,352	179,956,795

6.12.2 Consolidated Statement of Income

		31 December 2022	31 December 2023	30 June 2023	30 June 2024
	Notes	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17
<i>(in thousands of EUR)</i>					
Interest income	7.1	3,719,383	6,868,486	3,125,869	4,059,404
Interest expense	7.1	-1,640,573	-4,442,285	-1,921,818	-2,879,237
Fee and commission income	7.2	987,430	980,274	486,032	512,612
Fee and commission expenses	7.2	-214,636	-201,362	-98,238	-110,718
Insurance service result	7.3	95,048	277,509	100,670	129,746
Insurance revenue		1,084,919	1,186,641	540,950	598,989
Insurance service expenses		-1,004,554	-880,000	-423,441	-445,498
Net expenses from reinsurance contracts		14,684	-29,132	-16,838	-23,745
Insurance finance result	7.3	-197,857	-238,664	-117,099	-134,726
Insurance finance result		-199,892	-241,007	-118,366	-135,916
Reinsurance finance result		2,035	2,343	1,267	1,190
Dividend income	7.4	71,611	57,285	35,768	48,942
Net income from equity method companies	7.5	3,993	7,527	-293	2,200
Net income from financial instruments at fair value through profit or loss	7.6	24,822	53,527	64,368	56,857
Net income on investments and liabilities	7.7	56,401	-7,211	5,606	4,126
Other income	7.8	378,184	419,368	201,950	218,443
Other expenses	7.9	-561,547	-633,566	-452,735	-401,576
Income		2,722,259	3,140,888	1,430,080	1,506,074
Staff expenses	7.10	-608,177	-678,835	-317,916	-333,242
General and administrative expenses	7.11	-478,875	-517,426	-254,444	-258,909
Network costs		-216,599	-224,464	-114,026	-112,752
Depreciation and amortisation of fixed assets	7.12	-113,791	-117,440	-49,785	-57,339
Expenses		-1,417,441	-1,538,166	-736,171	-762,242
Net income before tax and impairments		1,304,818	1,602,722	693,909	743,831
Impairments on financial instruments and provisions for credit commitments	7.13	-105,413	-109,211	-17,346	-52,131
Impairments on tangible and intangible assets	7.14	-2,049	-855	-858	0
Impairments on goodwill	7.15	0	0	0	0
Net income before tax		1,197,356	1,492,656	675,705	691,700

		31 December 2022	31 December 2023	30 June 2023	30 June 2024
		IFRS 9 & IFRS 17	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17	IFRS 9 & IFRS 17
Notes					
Current tax (expense) income		-266,896	-304,968	-157,276	-164,003
Deferred tax (expense) income		2,492	-70,897	-38,512	-44,998
Total tax (expense) income	7.16	-264,403	-375,865	-195,788	-209,001
Net income after tax		932,952	1,116,791	479,917	482,699
Discontinued operations (net of tax)		0	0	0	0
Net income		932,952	1,116,791	479,917	482,699
Attributable to non-controlling interests		1,181	2,252	577	990
Attributable to equity holders of the parent		931,771	1,114,538	479,339	481,709

7. TERMS AND CONDITIONS OF THE EMPLOYER WARRANTS

(Annex 14.4 of Commission delegated regulation (EU) 2019/980)

The following is the text of the terms and conditions of the Employer Warrants (the “**Terms and Conditions of the Employer Warrants**” and together with the Terms and Conditions of the Employee Warrants, the “**Terms and Conditions**”, each chapter or subchapter individually referred to as “**Condition**”), subject to completion and amendment and as supplemented or varied in accordance with the relevant provisions of the Final Terms. In the event of any inconsistency between the provisions of the Final Terms and the other provisions of this Prospectus, the Final Terms will prevail. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms.

References in the Terms and Conditions to the Employer Warrants are to the Employer Warrants of one Series only, not to all Employer Warrants that may be issued under the Programme.

The Employer Warrants will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the Strike), the Employer Warrants of each Series being intended to be interchangeable with all other Employer Warrants of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price and principal amount of the Tranche will be identical to the terms of other Tranches of the same Series) will be set out in the Final Terms.

The Conditions that grant or may grant the Issuer and/or the Calculation Agent a unilateral right to modify certain features of the Employer Warrants are:

- (a) Condition 7.7.1. Cancellation upon change of law or an Index Adjustment Event
- (b) Condition 7.9. Description of market disruption event or settlement disruption that affects the Underlying Index
- (c) Condition 7.10. Adjustments to the underlying Index

The Conditions that grant or may grant the Issuer and/or the Calculation Agent a right to terminate and cancel the Employer Warrants under certain circumstances are:

- (a) Condition 7.7.1. Cancellation upon change of law or an Index Adjustment Event
- (b) Condition 7.10. Adjustments to the underlying Index

7.1 Form, Issue Price and Title

7.1.1 Form

An Employer Warrant constitutes a contractual claim (*schuldvordering/créance*) against the Issuer, subject to these Conditions, subject to completion and as supplemented in accordance with the provisions of the applicable Final Terms.

The Employer Warrants will be represented exclusively by book-entry in the records of Belfius Bank SA/NV as depositary of the Warrants (the Depositary) in accordance with Article 17 of Royal Decree No. 62 of 10 November 1967 concerning the custody and clearing of fungible financial instruments (as coordinated) (Royal Decree No. 62).

The Employer Warrants will not be physically delivered and cannot be transferred to another depositary.

Each (prospective) holder of Employer Warrants must maintain a securities account and a cash account with the Depositary for purposes of holding and transferring its Employer Warrants and exercising its rights under its Employer Warrants. There are no costs for holding the Employer Warrants on the securities account. There is a quarterly management fee of the cash account of 105 EUR (excl. TVA) and negative interest payments are due if certain barriers are broken.

The issue of the Employer Warrants has been authorized by resolutions of the Issuer, as will be specified in the relevant Final Terms.

7.1.2 Title and Transfer

The person who from time to time shows in the records of the Depositary as the holder of an Employer Warrant will be considered as the “holder” of that Employer Warrant for all purposes. A certificate issued by the Depositary as to the amount of Employer Warrants standing to the credit of any person shall be conclusive and binding for all purposes save in case of manifest error.

Title to the Employer Warrants will pass by account transfer within the accounts system of the Depositary, in accordance with the applicable terms and conditions of the Depositary.

All transactions (including permitted transfers) in relation to the Warrants must be effected through the Depositary, subject to and in accordance with the applicable rules and procedures of the Depositary.

Once an Employer Warrant has been exercised (as referred to in Condition 7.5 (*Exercise Procedure*) below), it can no longer be transferred to another person.

Employer Warrants may not be offered, sold or delivered (i) within the United States of America, including its territories and possessions, or to U.S. persons or (ii) in Belgium, to “consumers” (consommateurs/consumenten) within the meaning of the Belgian Code of Economic Law (*Code de droit économique / Wetboek van economisch recht*).

7.2 Governing law and jurisdiction

The Employer Warrants are governed by the laws of Belgium. All disputes arising out of or in connection with the Warrants shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

7.3 Currency

The Employer Warrants are issued in EUR and their value will always be expressed in EUR.

7.4 Definitions

The terms used in this Base Prospectus shall have the meaning as expressed hereunder, unless defined otherwise in this Base Prospectus. The definitions do not apply to terms used in the extracts and press releases that, as the case may be, are mentioned in this Base Prospectus.

Actual Exercise Date : Means, in respect of any Employer Warrant, the date on which a duly completed Exercise Notice is delivered (or deemed to be delivered pursuant to Condition 7.5.1) in accordance with Condition 7.5.1 (*Exercise Notice*).

Business Day	A day on which commercial banks and foreign exchange markets settle payments and are open for general business in Belgium.
Calculation Agent	: Belfius Bank NV/SA (abbreviated as “ Belfius Bank ”), unless specified otherwise in the relevant Final Terms.
Commission	: The commission included in the Issue Price, as specified under the relevant Final Terms.
Companies and Associations Code	: The Belgian code of companies and associations, introduced by the Law of 23 March 2019 (as amended).
Component Security	: Each component security or other asset included in the Underlying Index.
Depository:	: Belfius Bank SA/NV.
Disrupted Day	: Any scheduled trading day on which (i) the Index Sponsor fails to publish the level of the Underlying Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event occurs.
Early Closure	: The closure on any Exchange Business Day of the Exchange in respect of any Component Security (in relation to Employer Warrants) or the Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Scheduled Closing Time or Valuation Time on such Exchange Business Day.
Early Termination Amount	: Means, with regards to Employer Warrants, that, if the Employer Warrants are cancelled upon the occurrence of (x) a change of law rendering illegal the execution by it of its obligations arising out of this Base Prospectus or (y) an Index Adjustment Event and the Calculation Agent is unable to determine a substitute index or calculate the level of the Underlying Index in accordance with Condition 7.10, the Issuer will pay an amount to each of Employer Warrant Holder in respect of each Employer Warrant held by such Employer Warrant Holder which amount shall be the Fair Market Value of an Employer Warrant.
Employer Warrant Holder	: A person holding Employer Warrants through a participant or, in the case a participant acts on its own account, that participant.
Exchange	: Means, with regards to Employer Warrants, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.
Exchange Business Day	: Means, with regards to the Underlying Index, any Scheduled Trading Day on which , the Index Sponsor publishes the level of the Underlying

Index and the Related Exchange is open for trading during its respective regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time.

Exchange Disruption	: Means, with regards to the Underlying Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange, in respect of such Component Security; or (ii) in futures or options contracts relating to any Component Security on any relevant Related Exchange.
Exercise Notice	: Has the meaning given to such term in Condition 7.5 (<i>Exercise Procedure</i>).
Exercise Period	: Each Business Day from (and including) the date as specified in the relevant Final Terms until (but excluding) the Maturity Date.
Fair Market Value	: The valuation determined by the Calculation Agent using (i) the most relevant available market data, or, (ii) if no such relevant data may be found at the relevant time, a valuation mathematical model generally accepted in the financial sector that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The value of the Warrants is determined, as with options, by a valuation model for options (the 'Black & Scholes' model). Reference is made to the valuation principles laid down in Condition 7.6.1 below.
Final Terms	: The document containing the specific final terms relating to a specific series of the Warrants.
IFRS	: International Financial Reporting Standards.
In-the-money	: A call option with a Strike Price that is below the market price of the Underlying Index.
Issue Date	: The issue date specified as such in the relevant Final Terms.
Issue Price	: The issue price specified as such in the relevant Final Terms.
Issuer	: Belfius Bank SA/NV.
Market Disruption Event	: (a) (i) in respect of any Component Security, the occurrence or existence of: <ul style="list-style-type: none"> (A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; (B) an Exchange Disruption in respect of such Component Security, which the Calculation

Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(C) an Early Closure in respect of such Component Security; and

(ii) the portion of the level of the Underlying Index attributable to Component Security in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Underlying Index, in each case on the basis of the official opening weightings as published by the Index Sponsor as part of the market “opening data”; or

(b) the occurrence or existence in respect of futures or options contracts relating to the Underlying Index of:

(i) a Trading Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Related Exchange;

(ii) an Exchange Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Related Exchange; or

(iii) an Early Closure, in each case in respect of such futures or options contracts.

Maturity Date	: The maturity date specified as such in the relevant Final Terms.
Offer	: Any offer on the basis of and, in accordance with, this Base Prospectus and the relevant Final Terms.
Offering Period	: The offering period specified as such in the relevant Final Terms.
Parity	: The parity specified as such in the relevant Final Terms.
Underlying Index	: MSCI Europe Net Total Return Index (M7EU). See section 13 (<i>The Underlying Index of Employer Warrants</i>) for a description of the Underlying Index.
Related Exchange	: Means, with regards to the Employer Warrants and the Underlying Index, EUX-Eurex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Underlying Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Underlying Index on such temporary substitute exchange or quotation system as on the original Related Exchange).
Scheduled Closing Time	: Means in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or

Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

- Scheduled Settlement Date** : The second Business Day following the Actual Exercise Date, unless specified otherwise in the applicable Final Terms.
- Scheduled Trading Day** : In relation to the Underlying Index, any day on which: (i) the Index Sponsor is scheduled to publish the level of the Underlying Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.
- Strike Price** : The Strike Price of Employer Warrants is equal to the Initial Price of the Underlying Index, specified as such in the relevant Final Terms.
- Trading Disruption** : Means, with regards to Employer Warrants, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, relating to any Component Security on the Exchange in respect of such Component Security, or in futures or options contracts relating to the Underlying Index on the Related Exchange.
- Valuation Date** : Means, in respect of any exercised Employer Warrant, the date specified as such in the applicable Final Terms or if such date is not a Scheduled Trading Day in respect of the Underlying Index, the Final Price of the Underlying Index shall be determined on the basis of the level of the Underlying Index as calculated on the immediately following Scheduled Trading Day or, if Averaging is specified as applicable in the Final Terms, means the final Averaging Date (in each case subject to Condition 7.9 (*Description of market disruption event or settlement disruption that affects the Underlying Index*)).
- Valuation Time** : (a) for the purposes of determining whether a Market Disruption Event has occurred:
- (i) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and
 - (ii) in respect of any options contracts or future contracts on the Underlying Index, the close of trading on the Related Exchange; and
- (b) in all other circumstances, the time at which the official level of the Underlying Index is calculated and published by the Index Sponsor.

7.5 Exercise Procedure

7.5.1 Exercise Notice

The day on which the Employer Warrants are exercised is called the Actual Exercise Date and falls within the Exercise Period. Employer Warrants may only be exercised by the delivery of a duly completed exercise notice (an **Exercise Notice**), sent by e-mail to the address BO-Derivatives-Manual-Settlement@belfius.be or to the relationship manager of Belfius Bank

using the template form made available by the Depositary. An Exercise Notice is only duly completed if it specifies:

- (i) the Series of the Employer Warrants and the number of Employer Warrants being exercised; and
- (ii) the Employer Warrant Holder's securities account at the Depositary to be debited with the Employer Warrants.

An Exercise Notice delivered in accordance with the paragraph above is binding and irrevocable. After the delivery of an Exercise Notice in respect of any Employer Warrants, the holder of such Employer Warrants may not transfer such Employer Warrants

If not exercised in accordance with the Terms and Conditions during the Exercise Period, an Employer Warrant will become void and expire worthless, without any indemnification, reimbursement or other payment due to the holder of such Employer Warrant.

The Employer Warrant Holder shall pay the applicable subscription fees in the Underlying Index, as may exist at such time, and any applicable taxes in accordance with Condition 7.15 (*Taxation*) below.

An Employer Warrant Holder may also sell Employer Warrants to the Issuer on the secondary market. In such case the selling price of an Employer Warrant will be determined in good faith by the Issuer in accordance with the principles laid down in Condition 7.6.1 below.

7.5.2 Settlement

Upon exercise, the Issuer will pay the Cash Settlement Amount (if any) to the holder of the Employer Warrant. The Cash Settlement Amount will be determined by the Calculation Agent in accordance with this Conditions on the basis of a comparison of the relevant Strike Price (as specified in the relevant Final Terms) and the level of the Underlying Index on or around the Actual Exercise Date (or, in case of "Averaging", the average level of the Underlying Index on the Averaging Dates specified in the Final Terms).

7.5.2.1 Settlement Date

The **Settlement Date** means the later of:

- (a) the Scheduled Settlement Date; or
- (b) if the Valuation Date is postponed due to the occurrence of a Disrupted Day, the Valuation Date.

On the relevant Settlement Date, the Issuer shall pay the Cash Settlement Amount (if any) to the holder of each duly exercised Employer Warrant.

Cash Settlement Amount means, in relation to any Employer Warrant being exercised, the amount determined by the Calculation Agent equal to:

- (a) if the Final Price is higher than the Strike Price:
 $(\text{Final Price} - \text{Strike Price}) \times \text{Parity}$
- (b) otherwise: zero

The Cash Settlement Amount can be lower than the Issue Price or even zero.

7.5.2.2 Determination of the Final Price

On the Valuation Date, the Calculation Agent shall determine the **Final Price** as follows:

- (i) if Averaging is not specified in the applicable Final Terms: the level of the Underlying Index at the Valuation Time on the relevant Valuation Date; or
- (ii) if Averaging is specified in the applicable Final Terms: the arithmetic mean of the levels of the Underlying Index as of the Valuation Time on each Averaging Date.

7.5.3 Consequence of the Exercise

An Exercise Notice delivered in accordance with Condition 7.5.1 above is binding and irrevocable. After the delivery of an Exercise Notice in respect of any Employer Warrants, the holder of such Employer Warrants may not transfer such Employer Warrants.

7.5.4 Exercise period

These Employer Warrants can be exercised during the Exercise Period. Consequently, the only means through which the Employer Warrant Holder can realize value from the Employer Warrant prior to the Actual Exercise Date is to sell it through the secondary market.

The Exercise Period is defined in the relevant Final Terms.

7.6 Further information relating to the Employer Warrants

7.6.1 Information relating to the pricing of the Employer Warrants

The value of the Employer Warrants is determined, as with options, by valuation model for options (‘Black & Scholes’ model) This value is determined by different variables. The impact of some of these variables can be described as follows:

- The Underlying Index: the value of an Employer Warrant increases if the Underlying Index’s value²⁷ increases in respect to the Strike Price.
- The volatility: the value of the Employer Warrant varies according to the expected volatility²⁸ of the Underlying Index until Maturity Date. The volatility is the change in the value of the Underlying Index calculated over a fixed time interval. The probability of an Employer Warrant being more in-the-money is higher if the Underlying Index is highly volatile (i.e. if it has a large number of substantial price movements), than when the Underlying Index is little volatile. Accordingly, the value of an Employer Warrant will increase if the volatility of the Underlying Index increases.
- The remaining maturity: the longer the remaining maturity (until Maturity Date) of an Employer Warrant, the greater the probability of the Employer Warrant being in-the-money at a certain point in time during this remaining maturity. Therefore under normal circumstances, the value of the Employer Warrant with a longer remaining maturity will be greater than the value of an Employer Warrant with a shorter remaining maturity. In short, the value of the Employer Warrant decreases if the remaining maturity diminishes.
- The market interest rate²⁹ for the remaining maturity: the value of the Employer Warrant increases if the market interest rate until Maturity Date increases.

²⁷ As published by MSCI via Bloomberg.

²⁸ Observed option prices of highly correlated indices to model the volatility.

²⁹ Zero coupon interest rate curve based on swap rates against €STR.

Investors may find information about the historical returns of the Underlying Index on the website <https://www.msci.com/real-time-index-data-search>³⁰ or, if such information cannot be consulted on the website, through a written request at the corporate seat of the Issuer.

Investors should take into consideration that all variables mentioned above may each influence the value of the Employer Warrant independently. In practice, any of these variables can vary at the same time. Consequently, the change in the value of the Employer Warrant can only be determined by taking into consideration the combined effect of the changes in value of each of these variables separately.

7.6.2 Information relating to the behaviour of the Employer Warrants

Generally, the (non-)occurrence of anticipated fluctuations in the value of the Underlying Index may disproportionately affect the value of Employer Warrants. Employer Warrants may expire worthless if the Underlying Index does not perform as anticipated. If not exercised in accordance with the Terms and Conditions during the Exercise Period, an Employer Warrant will become void and expire worthless. In order to recover and realize a return upon its investment, an Employer Warrant Holder must be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Index. Employer Warrant Holders should also consider that the return on the investment in Employer Warrants is reduced by the costs in connection with the purchase, exercise and/or sale of the Employer Warrants. A general description of these costs is provided in Condition 7.6.3 below.

More in particular, investing in an Employer Warrant allows the Employer Warrant Holder to exercise its option(s) in case the Underlying Index value fixes above the Strike Price during the Exercise Period (i.e. in-the-money). The Employer Warrant Holder benefits in this case of the increase of the Underlying Index. Should the fixing occur below the Strike Price during the Exercise Period (i.e. out-the-money), the loss is then limited to the original premium paid to acquire the options. The Employer Warrant Holder may also benefit (suffer) from a positive (negative) evolution of the price of the Employer Warrant during its lifetime.

The Employer Warrant has a leverage effect. This means that any variation in the price of the Underlying Index is in theory amplified.

An Employer Warrant's leverage effect is determined by applying the following formula:

$$(\text{Leverage} = \partial P / \partial S \times S / P)$$

where:

S = the value of the Underlying Index

P = the value of the Employer Warrant

The ratio $\partial P / \partial S$, which is called the Delta of the Employer Warrant, is the degree to which the Employer Warrant changes value divided by the degree to which the Underlying Index changes value. $\partial P / \partial S$ is not a constant, and the ratio changes throughout the term of the Employer Warrant.

As and when the leverage effect approaches 1, an Employer Warrant behaves more and more like the Underlying Index, and the risk associated with the Employer Warrant is therefore

³⁰ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

almost the same as the risk associated with retaining that Underlying Index. The above formula reveals that the leverage tends towards 1 if the Delta of the Employer Warrant, $\partial P/\partial S$, and S/P tend towards 1. Both ratios move towards 1 as and when, among other things, the Employer Warrant's term gets longer and therefore the Employer Warrant's initial time value rises.

The Employer Warrants issued by Belfius Bank have a long term. The unavoidable consequence of this is that the initial leverage effect of the Employer Warrant is significantly higher than 1. That also remains so for a large part of the lifetime of the Employer Warrant.

In addition, more than one Employer Warrant may be necessary to obtain the closing value of the Underlying Index at the payment of the Strike Price. The number of Employer Warrants necessary to obtain the closing value of the Underlying Index at the payment of the Strike Price will be specified as such in the applicable Final Terms (the Parity).

7.6.3 Costs in connection with the purchase, exercise and/or sale of the Employer Warrants

Purchase

Subscribers to Employer Warrants shall pay the Issue Price as specified in the relevant Final Terms. The Issue Price is paid by the holder.

There are no additional costs of subscription with regards to the acquisition of the **Employer Warrants**, except for applicable subscription fees in the Underlying Index as may exist at such time and applicable taxes are due.

Exercise

In respect of the exercise of an Employer Warrant during the Exercise Period, the Employer Warrant Holder has to pay the Strike Price specified in the relevant Final Terms. The Strike Price is equal to a percentage of the net asset value of the Underlying Index, which will be posted on www.belfius.be denominated in EUR, specified as such in the relevant Final Terms. In addition, the Employer Warrant Holder shall pay the applicable subscription fees in the Underlying Index, as may exist at such time.

Employer Warrants are cash settled in accordance with Condition 7.5.2.

Sale

A holder of an Employer Warrant may sell Employer Warrants to the Issuer on the secondary market. In such case the selling price of an Employer Warrant will be determined in good faith by the Issuer in accordance with the principles laid down in Condition 7.6.1 above. There are no additional costs related to such a sale. In addition, the holder of an Employer Warrant shall pay the applicable taxes related to such a sale, as specified in Condition 7.15 below.

7.7 Cancellation

The early termination features of the Employer Warrants specified below are only possible upon (i) events of force majeure or other events which significantly modify the economy of the Employer Warrant and for which the Issuer is not responsible (ii), except in the case of force majeure, the Issuer is required to indemnify the Employer Warrant Holder for the loss suffered by the Employer Warrant Holder because of the early termination; (iii) the condition that no costs are charged to the Employer Warrant Holder and (iv) a pro rata refund of the commissions already borne by the investor (in the proportion (total initial term minus elapsed period)/total initial term), must be provided for.

7.7.1 Cancellation upon change of law or an Index Adjustment Event

The Issuer will cancel the Employer Warrants upon the occurrence of a change of law rendering illegal the execution by it of its obligations arising out of this Base Prospectus, the Employer Warrants and/or the relevant Final Terms or upon the occurrence of an Index Adjustment Event and the Calculation Agent is unable to substitute the Underlying Index or calculate the Underlying Index in accordance with Condition 7.10 below. The principles enumerated in the preamble to this Condition 7.7 shall apply.

7.7.2 Discharge upon cancellation

Any Employer Warrants so cancelled in accordance with this Condition may not be reissued or resold and the obligations of the Issuer in respect of any such Employer Warrants shall be *de iure* fully discharged upon payment of the Early Termination Amount and of the loss (*i.e.* costs incurred by the Employer Warrant Holder that are not covered by the Early Termination Amount) incurred by the Employer Warrant Holders. The principles enumerated in the preamble to this Condition 7.7 shall apply.

7.8 Payment

Subscribers to Employer Warrants shall pay the Issue Price on the subscribed Employer Warrants in cash.

Any amounts payable by the Issuer in respect of the Employer Warrants, shall be made by transfer to the cash account indicated by the Employer Warrant Holders, subject to all applicable laws and regulations.

If the date for payment due to the Employer Warrant Holders is a day, which is not a business day in the place of payment, the Employer Warrant Holders shall not be entitled to payment until the next business day, unless otherwise specified in the relevant Final Terms.

7.9 Description of market disruption event or settlement disruption that affects the Underlying Index

If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the scheduled Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the level of the Underlying Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Underlying Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Underlying Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day). The principles enumerated in the first paragraph of Condition 7.10 shall apply.

7.10 Adjustments to the Underlying Index

The adjustments features of the Employer Warrants specified below are only possible, for essential features of the product, if such modification would allow the rights and obligations under the Employer Warrants to be exercised and performed by the Employer Warrant Holders in view of realising a return to the extent possible in accordance with the initially agreed terms and contractual equilibrium, and provided the following cumulative conditions are met: (i) it is limited to events of force majeure or other events which significantly modify the economy of the contract and for which the Issuer is not responsible; (ii) the modification itself is not significant, so that it does not create an

imbalance between the rights and obligations of the parties, to the detriment of the Employer Warrant Holders. The Issuer must take all measures and make every effort to continue the product under similar circumstances; (iii) no costs are charged to the Employer Warrant Holders, and (iv) the contract term must be drawn up in a plain and intelligible manner.

If the Underlying Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Underlying Index, then that index (the “**Successor Index**”) will be deemed to be the Underlying Index (an “**Index Replacement**”).

If on or prior to any Valuation Date in respect of the Underlying Index, the Index Sponsor announces that it will:

- (i) make a material change in the formula for or the method of calculating the Underlying Index or in any other way materially modifies the Underlying Index (other than a modification prescribed in that formula or method to maintain the Underlying Index in the event of changes in constituent stock and capitalization and other routine events) (an “**Index Modification**”);
- (ii) permanently cancel the Underlying Index and no Successor Index exists (an “**Index Cancellation**”), or
- (iii) fails to calculate or announce the Underlying Index (“**Index Disruption**”),

(each an “**Index Adjustment Event**”) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Employer Warrants and if so,

- (a) substitute the Underlying Index with a replacement index using, in the determination of the Calculation Agent, the same or a substantially similar method of calculation as used in the calculation of the Underlying Index and the Calculation Agent shall determine the adjustments, if any, to be made to these Conditions and/or the applicable Final Terms to account for such substitution;
- (b) if the Calculation Agent is unable to substitute the Underlying Index in accordance with paragraph (a) above, calculate the level of the Underlying Index using, in lieu of a published level for the Underlying Index, the level for the Underlying Index as at that Valuation Date as determined by the Calculation Agent in accordance with the formula for and the method of calculating the Underlying Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

If the Calculation Agent is unable to either select a substitute index in accordance with paragraph (a) above or calculate the level of the Underlying Index in accordance with paragraph (b) above or determine the adjustments, if any to be made to these Conditions and/or the applicable Final Terms to account for such substitution, or is able to do so but determines, in its discretion, (i) that such substitution or adjustment would not achieve a commercially reasonable result for either the Issuer or the holders of the Employer Warrants or (ii) is or would be unlawful at any time under any applicable law or regulation or would contravene any applicable licensing requirements for the Issuer, the Calculation Agent or any other entity to perform the calculations required in respect of the Employer Warrants (or it would be unlawful or would contravene those licensing requirements were a calculation to be made at such time), then the Issuer may give notice to the holders of the Employer Warrants in accordance with Condition 7.14 (*Notices*) and cancel in accordance with Condition 7.7 (*Cancellation*) all, but not some only, of the Employer Warrants. If the Issuer cancels the Employer

Warrants, then the Issuer will pay the Early Termination Amount to each holder of an Employer Warrant in respect of each Employer Warrant.

The Issuer shall not have any duty to monitor, enquire or satisfy itself as to whether any Index Adjustment Event has occurred. If the holders of the Employer Warrants provide the Issuer with details of the circumstances which could constitute an Index Adjustment Event, the Issuer will consider such notice, but will not be obliged to determine that an Index Adjustment Event has occurred solely as a result of receipt of such notice.

7.11 Rounding

For the purposes of any calculations required pursuant to these Terms and Conditions (unless otherwise specified in the relevant Final Terms), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), and (ii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes “unit” means, the lowest amount of such currency that is available as legal tender in the country of such currency.

7.12 Status of Employer Warrants

The Employer Warrants and the payments relating to them are direct, unconditional and unsecured obligations of the Issuer and rank at all times *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors’ rights. This category can be seen as the “ordinary creditors” and may be qualified as “Preferred Senior creditors”, being the creditors related under Article 389/1, 1° of the banking law. Such creditors have a higher priority ranking than the so-called non-preferred senior creditors defined under Article 389/1, 2° of the banking law.

7.13 Responsibility of the Calculation Agent

In relation to each issue of Employer Warrants, the Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Employer Warrant Holders. All calculations and determinations made in respect of the Employer Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Employer Warrant Holder. The foregoing, does not prejudice nor limit any remedy the Employer Warrant Holder may have under applicable law against the Issuer regarding acts or omissions of the Calculation Agent.

7.14 Notices

All notices from the Issuer, the Calculation Agent or the Depositary to the Employer Warrant Holders shall be validly given by a direct notification on an electronic platform managed by Belfius Bank and accessible by every Employer Warrant Holder, each time as the Issuer in his discretionary opinion shall deem necessary to give fair and reasonable notice to the Employer Warrant Holders. The Employer Warrant Holder will be notified of his or her existing position at least once a year.

Any such notice shall be deemed to have been given on the date immediately following the date of notification from Belfius Bank.

7.15 Taxation

BELGIAN TAXATION ON THE EMPLOYER WARRANTS

The following is a general description of the principal Belgian tax consequences for investors receiving, holding or disposing of, the Employer Warrants issued by Belfius Bank and is of a general

nature based on the Issuer's understanding of current law and practice. This general description is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Employer Warrants issued by Belfius Bank under the laws of their countries of citizenship, residence, ordinary residence or domicile for reasons that, among others, the tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Employer Warrants.

7.15.1 Belgian income tax

7.15.1.1. Belgian resident companies

If the company (subject to the ordinary Belgian Corporate Income Tax regime) would realise a capital gain on the Employer Warrants, that capital gain would be fully subject to corporate tax. A capital loss recorded or realised on the Employer Warrants would in principle be tax deductible provided that the general conditions thereto are met.

The Cash Settlement Amount received upon exercise of the Employer Warrants is fully taxable.

7.15.1.2. Belgian non-residents

Employer Warrant Holders who are not resident of Belgium for Belgian tax purposes, who have acquired the Employer Warrants otherwise than as a benefit in kind and who are not holding the Employer Warrants through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition, holding or disposal of the Employer Warrants.

7.15.2 Other taxes

Tax on stock exchange transactions

The acquisition of Warrants upon their issuance (primary market) is not subject to the tax on stock exchange transactions ("*taxe sur les opérations de bourse*" / "*beurstaks*").

In all other situations, a tax on stock exchange transactions ("*taxe sur les opérations de bourse*" / "*beurstaks*") may, where applicable, be levied on the purchase and sale in Belgium of the Employer Warrants on a secondary market if such transaction is either entered into or carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.35% with a maximum amount of EUR 1,600 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

Following the Law of 25 December 2016, the scope of application of the tax on the stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). In such a scenario, the tax on stock exchange transactions is due by the Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due), unless the Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the

professional intermediary established outside Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying agent day-today listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (“**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and for complying with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

The tax referred to above will not be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the code of various duties and taxes (“*Code des droits et taxes divers*”/“*wetboek diverse rechten en taksen*”) for the tax on stock exchange transactions.

Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the “Draft Directive”) on a common financial transaction tax (“FTT”). Pursuant to the Draft Directive, the FTT shall be implemented and enter into effect in ten EU Member States (Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovak Republic, Slovenia and Spain; the “Participating Member States”). In March 2016, Estonia, initially one of the Participating Member States, withdrew from the FTT project.

The Commission’s Proposal currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force.

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

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. According to the Draft Directive, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established (or deemed established) in a Participating Member State and that there is a financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument

which is subject to the dealings is issued in a participating Member State. The FTT shall, however, not apply to among others primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, which is acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

The FTT proposal remains subject to negotiation between the Participating Member States, and the scope of any such tax is uncertain. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

In any event, the European Commission declared that, if there is no agreement between the Participating Member States by the end of 2022, it would endeavour to propose a new own resource, based on a new FTT, by June 2024 in view of its introduction by 1 January 2026. No agreement was found between the Participating Member States at the end of 2022. The European Commission has, however, not published any proposals so far.

Prospective holders of the Employer Warrants should consult their own tax advisers in relation to the consequences of the FTT associated with the subscription, purchase, holding or disposal of the Employer Warrants.

Tax on Securities Accounts

The Law of 17 February 2021 introduced an indirect tax on securities accounts (the **Tax on Securities Accounts**) which applies to securities accounts held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held, with a financial intermediary which is established or located in Belgium or abroad. The tax also applies to securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary established or located in Belgium, and to non-residents which hold one or more securities accounts through a Belgian establishment.

Belgian resident and non-resident individuals, companies and legal entities are taxed at a rate of 0.15 per cent. on the average value of qualifying financial instruments held on one or more securities accounts during a reference period of twelve consecutive months (in principle) starting on 1 October and ending on 30 September of the subsequent year. No Tax on Securities Accounts is due provided that the average value of the qualifying financial instruments on the account amounts to less than EUR 1,000,000 during the specific reference period. If, however, the average value of the qualifying financial instruments on the account amounts to EUR 1,000,000 or more, the Tax on Securities Accounts is due on the entire average value of the qualifying financial instruments on the account during the specific reference period (and, hence, not only on the part which exceeds the EUR 1,000,000 threshold). However, the amount of the Tax on Securities Accounts is limited to 10 per cent. of the difference between the average value of the qualifying financial instruments on the account and EUR 1,000,000.

The financial instruments envisaged include not only cash, shares, bonds and notes, but also derivatives (e.g., options, futures, warrants, etc.). Each securities account is assessed separately. When multiple holders hold a securities account, each holder shall be jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders.

A financial intermediary is defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in Article 198/1, §6, 12° of the BITC, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms and (vi) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

Anti-abuse provisions, retroactively applying from 30 October 2020, were initially also introduced: a rebuttable general anti-abuse provision and two irrebuttable specific anti-abuse provisions. However, on 27 October 2022, the Constitutional Court annulled (i) the two irrebuttable specific anti-abuse provisions and (ii) the retroactive effect of the rebuttable general anti-abuse provision, meaning that the latter provision can only apply as from 26 February 2021. There are various exemptions, such as securities accounts held by specific types of regulated entities for their own account. For example, excluded from the scope of application are the securities accounts held directly or indirectly, and exclusively for their own account, by non-residents, who do not use these securities accounts within a Belgian establishment, at a central securities depository or at a depository bank authorized by the National Bank of Belgium.

Prospective investors are strongly advised to follow up and to seek their own professional advice in relation to the annual Tax on Securities Accounts and the possible impact thereof on their own personal tax position.

8. TERMS AND CONDITIONS OF THE EMPLOYEE WARRANTS

(Annex 14.4 of Commission delegated regulation (EU) 2019/980)

The following is the text of the terms and conditions of the Employee Warrants (the “**Terms and Conditions of the Employee Warrants**” and together with the Terms and Conditions of the Employer Warrants, the “**Terms and Conditions**”, each chapter or subchapter individually referred to as “**Condition**”), subject to completion and amendment and as supplemented or varied in accordance with the relevant provisions of the Final Terms. In the event of any inconsistency between the provisions of the Final Terms and the other provisions of this Prospectus, the Final Terms will prevail. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms.

References in the Terms and Conditions to the Employee Warrants are to the Employee Warrants of one Series only, not to all Employee Warrants that may be issued under the Programme.

The Employee Warrants will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the Strike), the Employee Warrants of each Series being intended to be interchangeable with all other Employee Warrants of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price and principal amount of the Tranche will be identical to the terms of other Tranches of the same Series) will be set out in the Final Terms.

In accordance with Articles I.8.22° and VI.82 to VI.84 of the CEL, the Issuer may not make a unilateral modification of a product if it concerns an essential feature of the product, unless to make modifications to the Employee Warrants that would allow the rights and obligations under the Employee Warrants to be exercised and performed by the Employee Warrant Holders in view of realising a return to the extent possible in accordance with the initially agreed terms and contractual equilibrium, and provided the following cumulative conditions are met:

- (i) it is limited to events of force majeure or other events which significantly modify the economy of the contract and for which the Issuer is not responsible;
- (ii) the modification itself is not significant, so that it does not create an imbalance between the rights and obligations of the parties, to the detriment of the Employee Warrant Holders. The Issuer must take all measures and make every effort to continue the product under similar circumstances;
- (iii) no costs are charged to the Employee Warrant Holders; and
- (iv) the contract term must be drawn up in a plain and intelligible manner.

To the extent applicable, the Issuer and the Calculation Agent undertakes to comply with Book VI of the Belgian Code of Economic Law (Code de droit économique / Wetboek van economisch recht) ("CEL") in respect of Employee Warrants issued under the Programme and placed in the framework of an offer of securities to the public in Belgium. For this purpose, an offer of securities to the public has the meaning set forth in Article 2(d) of the Prospectus Regulation.

The Conditions that grant or may grant the Issuer and/or the Calculation Agent a unilateral right to modify certain features of the Employee Warrants are:

- (a) Condition 8.7.1. Cancellation upon change of law
- (b) Condition 8.7.2. Cancellation option upon change of Investment Strategy

- (c) Condition 8.9. Description of market disruption event or settlement disruption that affects the Underlying Fund Shares
- (d) Condition 8.10.1. Adjustments in case of the occurrence of a Potential Adjustment Event
- (e) Condition 8.10.2. Adjustments in case of the occurrence of a change in Investment Strategy, De-listing, Insolvency, Merger Event or Nationalization

When the early termination features of the Employee Warrants provided by this Chapter 7 occur, the Issuer shall pay in accordance with the indemnification-principle laid down in Article VI.83. 10° CEL, at least the Fair Market Value of the Employee Warrant.

The Conditions that grant or may grant the Issuer and/or the Calculation Agent a right to terminate and cancel the Employee Warrants under certain circumstances are:

- (a) Condition 8.7.1. Cancellation upon change of law
- (b) Condition 8.7.2. Cancellation option upon change of Investment Strategy
- (c) Condition 8.10.2. Adjustments in case of the occurrence of a change in Investment Strategy, De-listing, Insolvency, Merger Event or Nationalization

8.1 Form, Issue Price and Title

8.1.1 Form

An Employee Warrant constitutes a contractual claim (*schuldvordering/créance*) against the Issuer, subject to these Conditions, subject to completion and as supplemented in accordance with the provisions of the applicable Final Terms.

The Employee Warrants will not be physically delivered and cannot be transferred to another Depositary.

The Employee Warrants will be held on a global securities account with Belfius Bank, and only respectively assigned to the relevant holder via an electronic platform managed by Belfius Bank and accessible by every holder of Employee Warrants. Belfius Bank will not charge any fees for Employee Warrants held in the aforementioned global securities account.

The issue of the Employee Warrants has been authorized by resolutions of the Issuer, as will be specified in the relevant Final Terms.

8.1.2 Title and Transfer

The person who from time to time shows in the records of the Depositary as the holder of an Employee Warrant will be considered as the “holder” of that Employee Warrant for all purposes. A certificate issued by the Depositary as to the amount of Employee Warrants standing to the credit of any person shall be conclusive and binding for all purposes save in case of manifest error.

Title to the Employee Warrants will pass by account transfer within the accounts system of the Depositary, in accordance with the applicable terms and conditions of the Depositary.

All transactions (including permitted transfers) in relation to the Employee Warrants must be effected through the Depositary, subject to and in accordance with the applicable rules and procedures of the Depositary.

Once an Employee Warrant has been exercised (as referred to in Condition 8.5 (*Exercise Procedure*) below), it can no longer be transferred to another person.

Employee Warrants may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons.

8.2 Governing law and jurisdiction

The Employee Warrants are governed by the laws of Belgium. All disputes arising out of or in connection with the Employee Warrants shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

8.3 Currency

The Employee Warrants are issued in EUR and their value will always be expressed in EUR.

8.4 Definitions

The terms used in this Base Prospectus shall have the meaning as expressed hereunder, unless defined otherwise in this Base Prospectus. The definitions do not apply to terms used in the extracts and press releases that, as the case may be, are mentioned in this Base Prospectus.

Actual Exercise Date	: Means, in respect of any Employee Warrant, the date on which a duly completed Exercise Notice is delivered (or deemed to be delivered pursuant to Condition 8.5.1) in accordance with Condition 8.5.1 (<i>Exercise Notice</i>).
Business Day	A day on which commercial banks and foreign exchange markets settle payments and are open for general business in Belgium.
Calculation Agent	: Belfius Bank NV/SA (abbreviated as “ Belfius Bank ”), unless specified otherwise in the relevant Final Terms.
Commission	: The commission included in the Issue Price, as specified under the relevant Final Terms.
Companies and Associations Code	: The Belgian code of companies and associations, introduced by the Law of 23 March 2019 (as amended).
De-listing	: The Underlying Fund Shares cease to be listed on the Related Exchange for any reason.
Depository:	: Belfius Bank SA/NV.
Disrupted Day	: Any scheduled trading day on which a relevant Exchange or the Related Exchange fails to open for trading during its regular trading session; or on which a Market Disruption Event occurs.
Early Closure	: The closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day.
Early Termination Amount	: Means, with regards to Employee Warrants that, if the Employee Warrants are cancelled, the Issuer will pay an amount to each holder of an Employee Warrant in respect of each Employee Warrant held by such

Employee Warrant Holder which amount shall be the Fair Market Value of an Employee Warrant. The Issuer will also take into account the Merger Event, De-listing, Nationalization or Insolvency, the value of the Underlying Fund Shares, the volatility of the Underlying Fund Shares, the time remaining to the Maturity Date, the characteristics of the Underlying Fund Shares, the dividends of the Underlying Fund Shares, any changes of interest rates, any change in currency exchange rates, the liquidity of the Underlying Fund Shares as the case may be and as applicable.

Exchange	: Means, with regards to Employee Warrants, each exchange or quotation system, any successor or any substitute exchange or quotation system, including for the avoidance of doubt but without limitation, any regulated market.
Exchange Business Day	: Any Scheduled Trading Day on which, with regards to the Underlying Fund Shares, the Exchange is open for business.
Exchange Disruption	: Any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for Shares on the Exchange; or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.
Exercise Notice	: Has the meaning given to such term in Condition 8.5 (<i>Exercise Procedure</i>).
Exercise Period	: Each Business Day from (and including) the date as specified in the relevant Final Terms until (but excluding) the Maturity Date.
Fair Market Value	: The valuation determined by the Calculation Agent using (i) the most relevant available market data, or, (ii) if no such relevant data may be found at the relevant time, a valuation mathematical model generally accepted in the financial sector that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The value of the Employee Warrants is determined, as with options, by a valuation model for options (the 'Black & Scholes' model). Reference is made to the valuation principles laid down in Condition 8.6.1 below.
Final Terms	: The document containing the specific final terms relating to a specific series of the Employee Warrants.
IFRS	: International Financial Reporting Standards.
Insolvency	: Means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting the SICAV (i) all the Shares are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares become legally prohibited from transferring them.
In-the-money	: A call option with a Strike Price that is below the market price of the Underlying Fund Shares.

Issue Date	: The issue date specified as such in the relevant Final Terms.
Issue Price	: The issue price specified as such in the relevant Final Terms.
Issuer	: Belfius Bank SA/NV.
Market Disruption Event	: In respect of any Share, the occurrence or existence of: <ul style="list-style-type: none"> (i) a Trading Disruption in respect of the Share; (ii) any Exchange Disruption in respect of the Share which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Scheduled Closing Time; or (iii) an Early Closure in respect of the Share.
Maturity Date	: The maturity date specified as such in the relevant Final Terms.
Merger Date	: Means, in respect of a Merger Event, the date upon which all holders of Shares (other than, in the case of a takeover offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.
Merger Event	: Means any (i) reclassification or change of Shares that results in a transfer of or an irrevocable commitment to transfer all Shares outstanding, (ii) consolidation, amalgamation or merger of the SICAV with or into another entity (other than a consolidation, amalgamation or merger in which the SICAV is the continuing entity and which does not result in any such reclassification or change of all Shares outstanding) or (iii) other takeover offer for Shares that results in a transfer of or an irrevocable commitment to transfer all Shares (other than Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date in respect of the relevant Employee Warrant.
Nationalization	: Means that all the shares or all the assets or substantially all the assets of the SICAV are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.
Offer	: Any offer on the basis of and, in accordance with, this Base Prospectus and the relevant Final Terms.
Offering Period	: The offering period specified as such in the relevant Final Terms.
Parity	: The parity specified as such in the relevant Final Terms.
Potential Adjustment Event	: Means any of the following: <ul style="list-style-type: none"> (i) a subdivision, consolidation or reclassification of Shares (unless a Merger Event) or a free distribution or dividend of Shares to existing holders by way of bonus, capitalization or similar issue; (ii) a distribution or dividend to existing holders of Shares of (a) Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the SICAV equally or

proportionately with such payments to holders of Shares or (c) any other type of securities, rights or price as determined by the Calculation Agent;

(iii) an extraordinary dividend (provided that any ordinary dividend, whether or not in the form of cash, will not be considered as a Potential Adjustment Event);

(iv) a repurchase by the SICAV of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(v) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares.;

Underlying Fund Shares	: Class C shares of the compartment Belfius Equities Europe Conviction within Belfius Equities sicav, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises' number 0444.229.910 (Code ISIN/Code Trading: BE0945524651; Code Bloomberg: DEXBEUR BB)
Related Exchange	: Means, with regards to Employee Warrants and the Underlying Fund Shares, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Employee Warrant.
Scheduled Closing Time	: Means in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.
Scheduled Trading Day	: In relation to the Underlying Fund Shares, any day on which the Related Exchange is scheduled to be open for trading for its regular trading session.
Strike Price	: The Strike Price of Employee Warrants is equal to the net asset value of the Underlying Fund Shares, specified as such in the relevant Final Terms.
Trading Disruption	: Any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, with regards to Employee Warrants, relating to the Underlying Fund Share on the relevant Exchange, or in futures or options contracts relating to the Underlying Fund Share on any relevant Related Exchange.
Valuation Date	: Means, in respect of any exercised Employee Warrant, the Maturity Date in respect of such Employee Warrant.
Employee Warrant Holder	: A person holding Employee Warrants through a participant or, in the case a participant acts on its own account, that participant.

8.5 Exercise Procedure

8.5.1 Exercise Notice

The day on which the Employee Warrants are exercised is called the Actual Exercise Date and falls within the Exercise Period. In order to exercise the Employee Warrants the holder of the Employee Warrant shall, at the earliest at the start of the Exercise Period and at the latest on the day before the Maturity Date, notify its decision to the Issuer exclusively via an electronic platform managed by Belfius Bank and accessible by every holder of the Employee Warrant (an “**Exercise Notice**”).

There are no costs related to the Exercise other than the ordinary charges related to the acquisition of the Underlying Fund Shares, as may exist at such time. As of the date of this Base Prospectus, such costs do not exceed 2.5% of the amount so acquired, with a minimum of 100 EUR per transaction.

If not exercised in accordance with the Terms and Conditions during the Exercise Period, an Employee Warrant will become void and expire worthless.

Besides the Exercise, a holder of the Employee Warrant may also sell Employee Warrants to the Issuer on the secondary market. In such case the selling price of an Employee Warrant will be determined in good faith by the Issuer in accordance with the principles laid down in Condition 8.6.1 below. There are no additional costs related to such sale.

8.5.2 Settlement

Belfius Bank will deliver the Underlying Fund Shares to a securities account chosen by the holder of the Employee Warrant or which must be opened by the investor for this purpose. In case the amount of Employee Warrants exercised is inferior to the parity, Belfius Bank will proceed to a settlement in cash by transfer to the cash account indicated by the holder of the Employee Warrant.

8.5.3 Consequence of the Exercise

The Exercise is irrevocable.

8.5.4 Exercise period

The Exercise Period is defined in the relevant Final Terms.

8.6 Further information relating to the Employee Warrants

8.6.1 Information relating to the pricing of the Employee Warrants

The value of the Employee Warrants is determined, as with options, by a valuation model for options (the ‘Black & Scholes’ model). This value is determined by different variables. The impact of some of these variables can be described as follows:

- The Underlying Fund Shares: The value of an Employee Warrant increases if the value of the Underlying Fund Shares³¹ increases in respect to the Strike Price.
- The volatility: the value of the Employee Warrant varies according to the expected volatility of the Underlying Fund Shares until Maturity Date. The volatility is the change in the value of the Underlying Fund Shares calculated over a fixed time interval³². The probability of an Employee Warrant being more in-the-money is higher

³¹ As published by the fund manager via Bloomberg.

³² Calculation based on observed option prices of highly correlated indices to model the volatility.

if the Underlying Fund Shares are highly volatile (i.e. if it has a large number of substantial price movements), than when the Underlying Fund Shares are little volatile. Accordingly, the value of an Employee Warrant will increase if the volatility of the Underlying Fund Shares increases.

- The remaining maturity: the longer the remaining maturity (until Maturity Date) of an Employee Warrant, the greater the probability of the Employee Warrant being in-the-money at a certain point in time during this remaining maturity. Therefore under normal circumstances, the value of the Employee Warrant with a longer remaining maturity will be greater than the value of an Employee Warrant with a shorter remaining maturity. In short, the value of the Employee Warrant decreases if the remaining maturity diminishes.
- The market interest rate³³ for the remaining maturity: the value of the Employee Warrant increases if the market interest rate until Maturity Date increases.

Investors may find information about the historical returns of the Underlying Index on the website <https://www.msci.com/real-time-index-data-search>³⁴ and about the historical returns of the Underlying Fund Shares on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu/security/LU0461106337/249540>)³⁵ or, if such information cannot be consulted on the website, through a written request at the corporate seat of the Issuer. More information about the Underlying Fund Shares can be found in the key investor information document on the website https://www.belfius.be/imagingservlet/GetDocument?src=mifid&id=BE0945524651KIID_NL³⁶.

Investors should take into consideration that all variables mentioned above may each influence the value of the Employee Warrant independently. In practice, any of these variables can vary at the same time. Consequently, the change in the value of the Employee Warrant can only be determined by taking into consideration the combined effect of the changes in value of each of these variables separately.

8.6.2 Information relating to the behaviour of the Employee Warrants

Generally, the (non-)occurrence of anticipated fluctuations in the value of the Underlying Fund Shares may disproportionately affect the value of Employee Warrants. Employee Warrants may expire worthless if the Underlying Fund Shares do not perform as anticipated. If not exercised in accordance with the Terms and Conditions during the Exercise Period, an Employee Warrant will become void and expire worthless. In order to recover and realize a return upon its investment, an Employee Warrant Holder must be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Fund Shares. Employee Warrant Holders should also consider that the return on the investment in Employee Warrants is reduced by the costs in connection with the purchase, exercise and/or sale of the Employee Warrants. A general description of these costs is provided in Condition 8.6.3 below.

³³ Zero coupon interest rate curve based on swap rates against ESTR.

³⁴ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

³⁵ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

³⁶ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

More in particular, investing in an Employee Warrant allows the Employee Warrant Holder to exercise its option(s) in case the Underlying Fund Shares price fixes above the Strike Price during the Exercise Period (i.e. in-the-money). The Employee Warrant Holder benefits in this case of the increase of the value of the Underlying Fund Shares. Should the fixing occur below the Strike Price during the Exercise Period (i.e. out-the-money), the loss is then limited to the original premium paid to acquire the options. The Employee Warrant Holder may also benefit (suffer) from a positive (negative) evolution of the price of the Employee Warrant during its lifetime.

The Employee Warrant has a leverage effect. This means that any variation in the price of the Underlying Fund Shares is in theory amplified.

An Employee Warrant's leverage effect is determined by applying the following formula:

$$(\text{Leverage} = \partial P / \partial S \times S / P)$$

where:

S = the price of the Underlying Fund Shares

P = the value of the Employee Warrant

The ratio $\partial P / \partial S$, which is called the Delta of the Employee Warrant, is the degree to which the Employee Warrant changes value divided by the degree to which the Underlying Fund Shares changes value. $\partial P / \partial S$ is not a constant, and the ratio changes throughout the term of the Employee Warrant.

As and when the leverage effect approaches 1, an Employee Warrant behaves more and more like the Underlying Fund Shares, and the risk associated with the Employee Warrant is therefore almost the same as the risk associated with retaining the Underlying Fund Shares. The above formula reveals that the leverage tends towards 1 if the Delta of the Employee Warrant, $\partial P / \partial S$, and S/P tend towards 1. Both ratios move towards 1 as and when, among other things, the Employee Warrant's term gets longer and therefore the Employee Warrant's initial time value rises.

The Employee Warrants issued by Belfius Bank have a long term. The unavoidable consequence of this is that the initial leverage effect of the Employee Warrant is significantly higher than 1. That also remains so for a large part of the lifetime of the Employee Warrant.

In addition, more than one Employee Warrant may be necessary to obtain the closing value of the Underlying Fund Shares at the payment of the Strike Price. The number of Employee Warrants necessary to buy Underlying Fund Shares at the payment of the Strike Price will be specified as such in the applicable Final Terms (the Parity).

8.6.3 Costs in connection with the purchase, exercise and/or sale of the Employee Warrants

Purchase

Subscribers to Employee Warrants shall pay the Issue Price as specified in the relevant Final Terms. The Issue Price is paid by the employer of the employee who has accepted the offer, with respect to Employee Warrants.

With regards to Employee Warrants, the costs and taxes associated with the acquisition of Underlying Fund Shares at the date of this Base Prospectus are set at a maximum of 2,5%.

Exercise

In respect of the exercise of an Employee Warrant during the Exercise Period, the Employee Warrant Holder has to pay the Strike Price specified in the relevant Final Terms. The Strike Price is equal to the net asset value of the Underlying Fund Shares, specified as such in the relevant Final Terms.

By exercising Employee Warrants, the holder of Employee Warrants purchases the Underlying Fund Shares at the Strike Price for an amount of Employee Warrants corresponding to the Parity as specified in the relevant Final Terms.

Sale

A holder of an Employee Warrant may also sell such Employee Warrants to the Issuer during the entire term of the Employee Warrants irrespective of the applicable Exercise Period. In such case the selling price of an Employee Warrant will be determined in good faith by the Issuer in accordance with the principles laid down in Condition 8.6.1 above. There are no additional costs related to such a sale. In addition, the holder of an Employee Warrant shall pay the applicable taxes related to such a sale, as specified in Condition 8.15 below.

8.7 Cancellation

The early termination features of the Employee Warrants specified below are only possible upon (i) events of force majeure or other events which significantly modify the economy of the Employee Warrant and for which the Issuer is not responsible (ii), except in the case of force majeure, the Issuer is required to indemnify the Employee Warrant Holder for the loss suffered by the Employee Warrant Holder because of the early termination; (iii) the condition that no costs are charged to the Employee Warrant Holder and (iv) a pro rata refund of the commissions already borne by the investor (in the proportion (total initial term minus elapsed period)/total initial term), must be provided for.

8.7.1 Cancellation upon change of law

The Issuer will cancel the Employee Warrants upon the occurrence of a change of law rendering illegal the execution by it of its obligations arising out of this Base Prospectus and/or the relevant Final Terms in accordance with Condition 8.10 below. The principles enumerated in the preamble to this Condition 8.7 shall apply.

8.7.2 Cancellation option upon change of Investment Strategy

Upon the occurrence of a change of investment strategy enacted by the management bodies of the Underlying Fund Shares (the “**Investment Strategy**”), the Issuer may cancel **Employee Warrants** in accordance with Condition 8.10 below. The principles enumerated in the preamble to this Condition 8.7 shall apply.

8.7.3 Discharge upon cancellation

Any Employee Warrants so cancelled in accordance with this Condition may not be reissued or resold and the obligations of the Issuer in respect of any such Employee Warrants shall be *de iure* fully discharged upon payment of the Early Termination Amount and of the loss (*i.e.* costs incurred by the Employee Warrant Holder that are not covered by the Early Termination Amount) incurred by the Employee Warrant Holders. The principles enumerated in the preamble to this Condition 8.7 shall apply.

8.8 Payment

Subscribers to Employee Warrants shall pay the Issue Price on the subscribed Employee Warrants in cash.

Any amounts payable by the Issuer in respect of the Employee Warrants, shall be made by transfer to the cash account indicated by the Employee Warrant Holders, subject to all applicable laws and regulations.

If the date for payment due to the Employee Warrant Holders is a day, which is not a business day in the place of payment, the Employee Warrant Holders shall not be entitled to payment until the next business day, unless otherwise specified in the relevant Final Terms.

8.9 Description of market disruption event or settlement disruption that affects the Underlying Fund Shares

If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the scheduled Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine its good faith estimate of the value of the Share as of the Scheduled Closing Time on that eighth Scheduled Trading Day. For the avoidance of doubt, the Valuation Date for the Share not affected by the occurrence of a Disrupted Day shall be the original Valuation Date. The principles enumerated in Condition 8.10 shall apply.

8.10 Adjustments to the Underlying Fund Shares

The adjustments features of the Employee Warrants specified below are only possible, for essential features of the product, if such modification would allow the rights and obligations under the Employee Warrants to be exercised and performed by the Employee Warrant Holders in view of realising a return to the extent possible in accordance with the initially agreed terms and contractual equilibrium, and provided the following cumulative conditions are met: (i) it is limited to events of force majeure or other events which significantly modify the economy of the contract and for which the Issuer is not responsible; (ii) the modification itself is not significant, so that it does not create an imbalance between the rights and obligations of the parties, to the detriment of the Employee Warrant Holders. The Issuer must take all measures and make every effort to continue the product under similar circumstances; (iii) no costs are charged to the Employee Warrant Holders, and (iv) the contract term must be drawn up in a plain and intelligible manner.

8.10.1 Adjustments in case of the occurrence of a Potential Adjustment Event

Following the declaration by the SICAV of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of that adjustment (provided that no adjustment will be made as a result of any payment of an ordinary dividend, whether or not in the form of cash). The principles enumerated in the preamble to this Condition 8.10 shall apply.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the holders of the Employee Warrants, stating the adjustment to the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

8.10.2 Adjustments in case of the occurrence of a change in Investment Strategy, De-listing, Insolvency, Merger Event or Nationalization

If a change in the Investment Strategy as defined under Condition 8.7.2. (*Cancellation option upon change of investment strategy*), a De-listing, Insolvency, Merger Event or Nationalization occurs in relation to the Underlying Fund Shares, the Issuer may take the action described in (i) or (ii) below:

(i) require the Calculation Agent to determine the unilateral modification, if any, of the Terms and Conditions and/or the applicable Final Terms to account for the change in Investment Strategy, Merger Event, De-listing, Nationalization or Insolvency, as the case may be, and determine the effective date of that unilateral modification PROVIDED HOWEVER that in doing so the Calculation Agent may only make a unilateral modification if three cumulative conditions are met:

(x) Change in Investment Strategy, Merger Event, De-listing, Nationalization or Insolvency, as the case may be, significantly modifies the economy of the Employee Warrant and for which the Issuer is not responsible;

(y) the unilateral modification itself is not significant, so that it does not create an imbalance between the rights and obligations of the parties, to the detriment of the holders of the Employee Warrants. The Issuer must take all measures and make every effort to continue the Employee Warrant under similar circumstances; and

(z) no costs are charged to the holders of the Employee Warrants; or

(ii) cancel the Employee Warrants by giving notice if no adjustment could be made under (i) above. If the Employee Warrants are so cancelled the Issuer will pay the Early Termination Amount. If the Early Termination Amount is zero or negative, no payment will be due. Payments will be made in such manner as shall be notified to the holders of the Employee Warrants. The principles enumerated in the preamble to this Condition 8.10 as well as in Condition 8.7 shall apply.

Upon the occurrence of a change in Investment Strategy, Merger Event, De-listing, Nationalization or Insolvency, the Issuer shall give notice as soon as practicable to the holders of the Employee Warrants stating the occurrence of a change in Investment Strategy, the Merger Event, De-listing, Nationalization or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

8.11 Rounding

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

8.12 Status of Employee Warrants

The Employee Warrants and the payments relating to them are direct, unconditional and unsecured obligations of the Issuer and rank at all times *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors’ rights. This category can be seen as the “ordinary creditors” and may be qualified as “Preferred Senior creditors”, being the creditors related under Article 389/1, 1° of the banking law. Such creditors have a higher priority ranking than the so-called non-preferred senior creditors defined under Article 389/1, 2° of the banking law.

8.13 Responsibility of the Calculation Agent

In relation to each issue of Employee Warrants, the Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Employee Warrant Holders. All calculations and determinations made in respect of the Employee Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Employee Warrant Holder. The foregoing, does not prejudice nor limit any remedy the Employee Warrant Holder may have under applicable law against the Issuer regarding acts or omissions of the Calculation Agent.

8.14 Notices

All notices from the Issuer, the Calculation Agent or the Depositary to the Employee Warrant Holders shall be validly given by a direct notification on an electronic platform managed by Belfius Bank and accessible by every Employee Warrant Holder, each time as the Issuer in his discretionary opinion shall deem necessary to give fair and reasonable notice to the Employee Warrant Holders. The Employee Warrant Holder will be notified of his or her existing position at least once a year.

Any such notice shall be deemed to have been given on the date immediately following the date of notification from Belfius Bank.

8.15 Taxation

Belgian taxation on the employee warrants

The following is a general description of the principal Belgian tax consequences for investors receiving, holding or disposing of, the Employee Warrants issued by Belfius Bank and is of a general nature based on the Issuer's understanding of current law and practice. This general description is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Employee Warrants issued by Belfius Bank under the laws of their countries of citizenship, residence, ordinary residence or domicile for reasons that, among others, the tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Employee Warrants.

For a description of the tax regime of the Shares to be received upon exercise of the Employee Warrants, we refer to the prospectus pertaining to the Shares.

8.15.1 Belgian income tax

8.15.1.1. Belgian resident individuals

Individuals who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax ("*Personenbelasting*" / "*Impôt des personnes physiques*") and who hold the Employee Warrants as a private investment, are subject to the following tax treatment with respect to the Employee Warrants. Other tax rules apply to Belgian resident individuals who do not hold the Employee Warrants as a private investment.

The acquisition of the Employee Warrants by an employee from its employer for no consideration constitutes a benefit in kind for the employee. Provided the employer has made a written and dated offer of the Employee Warrants to the employee and the employee has accepted this offer in writing at the latest the 60th day (in practice: the 10th day) following the day of the offer, the taxable benefit in kind is determined according to the Belgian Act of 26 March 1999. If the offer is not accepted at the latest the 60th day following the offer, the Belgian

Act of 26 March 1999 will not apply. According to the Belgian Act of 26 March 1999, the taxable benefit has to be determined on the basis of the rule applicable to options quoted on a stock-exchange. Indeed, a “stock exchange” is defined, for the purposes of the Act of 26 March 1999, as “any regulated market or any other public, regularly functioning market” (Article 41, 5° of the Act of 26 March 1999). The employees who wish to sell the Employee Warrants can sell the Employee Warrants to Belfius Bank. Belfius Bank publishes, on a daily basis, a purchase price for the Employee Warrants. This purchase price is based on a generally recognised economic valuation method (such as the Black-Scholes formula). This has to be considered as a “regularly functioning market” for the application of the Act of 26 March 1999 (as confirmed by the Belgian ruling commission in the case at hand). As a consequence, the amount of the taxable benefit is the last price published by Belfius Bank on its website on the day before the offer. (by application of Article 43 § 2 of the Act of 26 March 1999). This price will be equal to the market value of the Employee Warrants, determined on the basis of the standard procedure. The benefit in kind is taxable on the date of attribution, which is irrefutably deemed to be the 60th day following the date of the offer of the Employee Warrants. The benefit in kind is taxable as professional income, at the full personal income tax rate.

A capital gain realised upon disposal or upon exercise of the Employee Warrants, is not taxable as professional income, nor as miscellaneous income provided the capital gain results from the normal management of a private estate (Article 90, 1° and 9° Belgian Income Tax Code). A loss realised upon disposal of the Employee Warrants is not tax deductible.

The Belgian Revenue may however take the position that the Act of 26 March 1999 is not applicable, in case:

- the Employee Warrants replace a remuneration in violation of the hierarchy of sources of entitlements, as defined in Article 51 of the Act of 5 December 1968;
- the Employee Warrants replace a remuneration to which the beneficiary was entitled, and to which the beneficiary has renounced when the remuneration was already earned;
- the Employee Warrants replace a the monthly (fixed or variable) basic wage, the holiday allowance, or the year-end bonus up to the 13th month;
- the Employee Warrants are granted to a person to which the employer has notified a dismissal (except in certain specific circumstances, set forth in ruling 2021.0245 of 27 April 2021);
- for new labour contracts, the Employee Warrants replace a the monthly (fixed or variable) basic wage, the holiday allowance, or the year-end bonus up to the 13th month that is usually granted in the enterprise for the concerned category of employees;
- the granting of Warrants is disproportionate (due to its amount or frequency) compared to the usually attributed remuneration. The Belgian Revenue considers that the granting of Employee Warrants is disproportionate, when the amount thereof exceeds 20 % of the 12,92 times the gross monthly wage (including holiday allowance), plus the 13th month and the gross variable wage.

In these cases, the tax treatment may be different than described above.

8.15.1.2. Belgian resident companies

In case a company grants Employee Warrants as a form of remuneration (benefit in kind) to its employees, the company can in principle deduct the acquisition costs of the Employee Warrants as paid wages, provided all conditions for deductibility are met. The employer granting the Employee Warrants to its employees has to mention the benefit in kind resulting

of the grant of the Employee Warrants, on the individual payment slips (281.10 and records 325.10), otherwise the benefit in kind could be subject to the special assessment on secret commissions in the hands of the employer (at the rate of in principle 100%). Moreover, the employer has to pay to the Revenue the professional withholding tax on the benefit in kind. If the employee does not reimburse the amount of the professional withholding tax to the employer, the professional withholding tax may have to be grossed-up.

If the company does not grant the Employee Warrants as a form of remuneration to its employee, but would sell them and realise a capital gain, that capital gain would be fully subject to corporate tax. A capital loss recorded or realised on the Employee Warrants would be in principle tax deductible.

8.16.1.3. Belgian non-residents

Employee Warrant Holders who are not resident of Belgium for Belgian tax purposes, who have acquired the Employee Warrants otherwise than as a benefit in kind and who are not holding the Employee Warrants through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition, holding or disposal of the Employee Warrants.

8.15.2 Other taxes

Tax on stock exchange transactions

The acquisition of Employee Warrants upon their issuance (primary market) is not subject to the tax on stock exchange transactions (“*taxe sur les opérations de bourse*”/“*beurstaks*”).

The sale of **Employee Warrants** to Belfius Bank is not subject to the tax on stock exchange transactions, among others since the repurchased Employee Warrants will be immediately cancelled by Belfius Bank as issuer.

In all other situations, a tax on stock exchange transactions (“*taxe sur les opérations de bourse*”/“*beurstaks*”) may, where applicable, be levied on the purchase and sale in Belgium of the Employee Warrants on a secondary market if such transaction is either entered into or carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.35% with a maximum amount of EUR 1,600 per transaction and per party and collected by the professional intermediary. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

Following the Law of 25 December 2016, the scope of application of the tax on the stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a “**Belgian Investor**”). In such a scenario, the tax on stock exchange transactions is due by the Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due), unless the Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The

duplicate can be replaced by a qualifying agent day-today listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (“**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and for complying with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

The tax referred to above will not be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the code of various duties and taxes (“*Code des droits et taxes divers*”/“*wetboek diverse rechten en taksen*”) for the tax on stock exchange transactions.

Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the “Draft Directive”) on a common financial transaction tax (“FTT”). Pursuant to the Draft Directive, the FTT shall be implemented and enter into effect in ten EU Member States (Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovak Republic, Slovenia and Spain; the “Participating Member States”). In March 2016, Estonia, initially one of the Participating Member States, withdrew from the FTT project.

The Commission’s Proposal currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force.

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

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. According to the Draft Directive, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established (or deemed established) in a Participating Member State and that there is a financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT shall, however, not apply to among others primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, which is acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

The FTT proposal remains subject to negotiation between the Participating Member States, and the scope of any such tax is uncertain. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

In any event, the European Commission declared that, if there is no agreement between the Participating Member States by the end of 2022, it would endeavour to propose a new own resource, based on a new FTT, by June 2024 in view of its introduction by 1 January 2026. No agreement was found between the Participating Member States at the end of 2022. The European Commission has, however, not published any proposals so far.

Prospective Holders of the Employee Warrants should consult their own tax advisers in relation to the consequences of the FTT associated with the subscription, purchase, holding or disposal of the Employee Warrants.

Tax on Securities Accounts

The Law of 17 February 2021 introduced an indirect tax on securities accounts (the **Tax on Securities Accounts**) which applies to securities accounts held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held, with a financial intermediary which is established or located in Belgium or abroad. The tax also applies to securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary established or located in Belgium, and to non-residents which hold one or more securities accounts through a Belgian establishment.

Belgian resident and non-resident individuals, companies and legal entities are taxed at a rate of 0.15 per cent. on the average value of qualifying financial instruments held on one or more securities accounts during a reference period of twelve consecutive months (in principle) starting on 1 October and ending on 30 September of the subsequent year. No Tax on Securities Accounts is due provided that the average value of the qualifying financial instruments on the account amounts to less than EUR 1,000,000 during the specific reference period. If, however, the average value of the qualifying financial instruments on the account amounts to EUR 1,000,000 or more, the Tax on Securities Accounts is due on the entire average value of the qualifying financial instruments on the account during the specific reference period (and, hence, not only on the part which exceeds the EUR 1,000,000 threshold). However, the amount of the Tax on Securities Accounts is limited to 10 per cent. of the difference between the average value of the qualifying financial instruments on the account and EUR 1,000,000.

The financial instruments envisaged include not only cash, shares, bonds and notes, but also derivatives (e.g., options, futures, warrants, etc.). Each securities account is assessed separately. When multiple holders hold a securities account, each holder shall be jointly and severally liable for the payment of the tax and each holder may fulfill the declaration requirements for all holders.

A financial intermediary is defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in Article 198/1, §6, 12° of the BITC, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms and (vi) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

Anti-abuse provisions, retroactively applying from 30 October 2020, were initially also introduced: a rebuttable general anti-abuse provision and two irrebuttable specific anti-abuse provisions. However, on 27 October 2022, the Constitutional Court annulled (i) the two irrebuttable specific anti-abuse provisions and (ii) the retroactive effect of the rebuttable general anti-abuse provision, meaning that the latter provision can only apply as from 26 February 2021.

There are various exemptions, such as securities accounts held by specific types of regulated entities for their own account. For example, excluded from the scope of application are the securities accounts held directly or indirectly, and exclusively for their own account, by non-residents, who do not use these securities accounts within a Belgian establishment, at a central securities depository or at a depository bank authorized by the National Bank of Belgium.

Prospective investors are strongly advised to follow up and to seek their own professional advice in relation to the annual Tax on Securities Accounts and the possible impact thereof on their own personal tax position.

9. TERMS AND CONDITIONS OF THE OFFER

(Annex 14.5 of Commission delegated regulation (EU) 2019/980)

The Warrants will be offered for subscription as specified in the relevant Final Terms at the relevant Issue Price (Commission included). The Issuer has the right to anticipatively terminate the Offering Period if the maximum amount of the Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.

The Warrants have not been offered or sold and will not be offered or sold directly or indirectly and this Base Prospectus and the relevant Final Terms has not been distributed and will not be distributed, except in such circumstances that will result in compliance with all applicable laws and regulations.

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

The Employer Warrants are deposited in a Belfius Bank securities account in the name of the holder of an Employer Warrant and Belfius Bank will not charge any fees for this service nor for the opening of such securities account by the holder of an Employer Warrant.

The Employee Warrants are deposited in a Belfius Bank global securities account and Belfius Bank will not charge any fees for this service.

The Issuer has the right to cancel any issue of Warrants under the Programme during their Offering Period until the fifth business day before their Issue Date, either (i) when it reasonably believes that investors will not subscribe to the Offer for an amount of at least the Minimum Amount specified in the relevant Final Terms or (ii) in case it considers there is a material adverse change in market conditions. Investors that have subscribed to these Warrants will be notified pursuant to Conditions 7.14 and 8.14 of such cancellation. The Issuer has the right to anticipatively terminate the Offering Period if the Maximum Amount of the relevant Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements and, subject to certain exceptions, Warrants may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons.

The Warrants have not been offered, sold or delivered and will not be offered, sold or delivered, as part of their distribution at any time, or otherwise until 40 days after the commencement of the offering within the United States or to, or for the account or the benefit of, U.S. persons and a dealer to which the Warrants are sold during the restricted period, will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the U.S. or to, or for the account or benefit of, U.S. persons.

The Warrants will be offered at the relevant Issue Price (Commission included). This price comprises all costs.

The financial service will be performed by Belfius Bank.

The Offer is governed by the laws of Belgium. All disputes arising out of or in connection with the Offer shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

10.ADMISSION TO TRADING AND DEALING ARRANGEMENTS

(Annex 14.6 of Commission delegated regulation (EU) 2019/980)

The Employee Warrants and Employer Warrants offered will not be the object of an application for admission to trading on a stock exchange or a regulated market. There are no securities issued by Belfius of the same class as the Warrants to be offered that are already admitted to trading on a stock exchange.

Belfius Bank will offer the Warrant Holders of Employee Warrants a possibility to sell the Employee Warrants from the day following the Issue Date by providing liquidity through a single bid price per trading day. These bid prices are subject to a brokerage fee (excluding stock market tax) of 1% maximum. In addition, the bid prices of the Employee Warrants are subject to the market conditions (in practice, the conditions between 4.30 p.m. and 5.30 p.m. (Brussels time) concerning, amongst other things, interest rates, the Underlying Fund Shares' value or volatility. The price of each previously executed transaction with the Employee Warrants is available the day after the transaction occurred on an electronic platform managed by Belfius Bank and accessible by every Warrant Holder of Employee Warrants.

11. USE OF PROCEEDS

(Annex 14.3 of Commission delegated regulation (EU) 2019/980)

The net proceeds of the issue of the Warrants will be used for general corporate purposes of Belfius Bank and for covering the risks resulting of the issue of the Warrants. The Warrants issue will be subject to some out-of-pocket expenses and publicity fees estimated to be around EUR 25,000.

12. THE UNDERLYING FUND SHARES OF THE EMPLOYEE WARRANTS

(Annex 17 of Commission delegated regulation (EU) 2019/980)

The below information has been sourced from the prospectus of Belfius Equities sicav, Belgium, dated July 2024 (as incorporated in Annex 2 of this Base Prospectus).

This information has been accurately reproduced in this Base Prospectus and, as far as the Issuer is aware and is able to ascertain from the aforementioned prospectus of the SICAV, no facts has been omitted which would render the reproduced information inaccurate or misleading.

12.1 Description of the Underlying Fund Shares

12.1.1 Type and class of share

The Underlying Fund Shares is a Class C share (the “**Share**” or “**Shares**”) of the compartment Belfius Equities Europe Conviction (the “**Compartment**”) within Belfius Equities sicav, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises’ number 0444.229.910, with multiple compartments, incorporated for an indefinite duration (the “**SICAV**”) ISIN Code: BE0945524651; Bloomberg Code: DEXBEUR BB.

Class C is offered both to legal entities and natural persons and capitalizes its profits.

The number of shares of the SICAV that may be issued is unlimited. Every share must be fully paid-up upon subscription.

12.1.2 Governing law

The Underlying Fund Shares is governed by the laws of Belgium. The SICAV is registered with the Belgium Crossroad bank for enterprises (Banque Carrefour des entreprises/Kruispuntbank van ondernemingen) under the number 0444.229.910.

12.1.3 Form

All shares of the SICAV are registered shares without nominal value. Ownership of a share is only represented, and enforceable vis-à-vis the SICAV, by endorsement in the SICAV’s register of shares. Holders of shares in the SICAV will not receive any certificate representing their shares, except upon express request thereto.

12.1.4 Currency

The Shares are denominated in EUR.

12.1.5 Rights, limitations thereto and procedure of exercise

12.1.5.1. Dividend rights

The Shares are not vested with any dividend right, considering that the shares of Class C within the compartment Belfius Equities Europe Conviction capitalizes their profits.

The number of shares of the SICAV that may be issued is unlimited. All shares of the SICAV, including the Shares, are vested with equal rights to a share in liquidation surplus within their

compartment, if any, prorata the amount of shares existing within the relevant compartment by date of its liquidation.

(a) Fixed date(s) on which the entitlement arises: not applicable.

(b) Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates: not applicable.

(c) Dividend restrictions and procedures for non-resident holders: not applicable.

(d) Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments: not applicable.

12.1.5.2. Voting rights

All shares of the SICAV are vested with an equal voting right, each share representing one vote. The annual general shareholders' meeting of the SICAV is held each year on the last Thursday of September at 11:00 a.m. at the registered seat of the SICAV, or at any other date and place as notified beforehand by the SICAV to the holders of shares.

12.1.5.3. Pre-emption rights in offers for subscription of securities of the same class

No shares of the SICAV are vested with any pre-emption- or preference rights.

12.1.5.4. Right to share in the issuer's profits

All shares of the SICAV are vested with an equal right to a share in the profit.

12.1.5.5. Rights to share in any surplus in the event of liquidation

All shares of the SICAV, including the Shares, are vested with an equal right to a share in liquidation surplus, if any, pro rata the amount of shares issued by the SICAV by date of the liquidation.

12.1.5.6. Redemption provisions

Every holder of shares in the SICAV is entitled to have his shares redeemed by the SICAV at any time, in accordance with the notification procedure to the depositary bank described in the prospectus of the SICAV.

Redemption price will be lower or higher than the subscription price, depending on the evolution of the net inventory value of the SICAV between the subscription- and redemption dates.

12.1.5.7. Conversion provisions

Every holder of shares in the SICAV may request conversion of part of or all of the shares he holds in a compartment of the SICAV into shares of another compartment of the SICAV. Such a conversion of shares in, or into shares in, certain compartments and/or classes of shares of the SICAV can however be limited by conditions specific to each compartment at stake.

The procedure for notification to the depositary bank and exercise of the conversion is described in the prospectus of the SICAV.

Conversion rate will be determined by applying the following formula:

$$A = \frac{B \times C \times E}{100}$$

D

Where:

A: is the amount of shares of the new class or in the new compartment to be attributed

B: is the amount of shares of the current class or in the current compartment to be converted

C: is the net asset value per share of the current class or in the current compartment calculated on the valuation date at stake

D: is the net asset value per share of the new class or in the new compartment calculated on the valuation date at stake

E: is the FX rate on the valuation date at stake between the currency of the current class/compartment and the currency of the new class/compartment.

12.1.6 Resolution and authorization for new issue of share in the SICAV, issue date

Not applicable.

12.1.7 Admission to trading

The Shares are not admitted to trading on a regulated market.

12.1.8 Restrictions on transferability

None.

12.1.9 Mandatory takeover bids or squeeze-out and sell-out

Not applicable.

12.1.10 Public takeover bids during the last and/or current financial year

Not applicable.

12.1.11 Impact on the issuer of the Underlying Fund Shares of the exercise of the right and potential dilution effect for the shareholders

No impact.

12.1.12 Strategy and components

The SICAV aims to achieve capital growth through investment in the major traded assets and outperform the benchmark.

Within the limits set by the SICAV's objective and investment policy, the management team makes discretionary portfolio investment choices, taking into account its own analysis of the characteristics and development prospects of the assets traded. For this purpose the management team makes a carefully balanced selection of a limited number of shares issued by companies with varying market capitalisations and with fundamentals of good quality, upwardly revised earnings prospects and a low valuation.

The SICAV promotes, among other characteristics, environmental and/or social characteristics without pursuing a sustainable investment objective. The analysis of ESG aspects (environmental, social and governance) is integrated into the selection, analysis and general investment strategy of the companies. The SICAV also excludes investments in companies that do not comply with certain recognised international standards and principles (United Nations Global Compact) or which have significant exposure to certain controversial activities. In certain cases, the analysis and selection process can also be accompanied by

active involvement, in particular through dialogue with the companies and, as a shareholder, through the vote at the general meeting.

The SICAV may use derivatives, both for investment and hedging purposes (to hedge against unfavourable financial events in the future).

More information about the Underlying Fund Shares can be found in the key investor information document on the website https://www.belfius.be/imagingservlet/GetDocument?src=mifid&id=BE0945524651KIID_NL³⁷.

12.2 Description of the Issuer of the Underlying Fund Shares (if member of the same group)

Not applicable.

³⁷ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

13. THE UNDERLYING INDEX OF EMPLOYER WARRANTS

(Annex 17 of Commission delegated regulation (EU) 2019/980)

The Underlying Index is the MSCI Europe Net Total Return Index (M7EU). The Index Sponsor is MSCI. The Index Sponsor is registered as a benchmark administrator in the public register maintained by the European Securities and Markets Authority (ESMA) under Article 36 of Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”).

In case of an Index Adjustment Event, the Calculation Agent may decide to substitute the Underlying Index or the value of the Underlying Index with another reference rate. If the Calculation Agent is unable to substitute the Underlying Index, it may calculate the Initial Price by reference to other reference rates. Any such reference rate may constitute a benchmark for the purposes of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. The registration statuses of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

The MSCI Europe Index represents the performance of large and mid-cap equities across 15 developed countries in Europe (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the U.K.).

With 432 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe (July 2021). The index is built using MSCI’s Global Investable Market Index (GIMI) methodology, which is designed to take into account variations reflecting conditions across regions, market-cap segments, sectors and styles.

More information about the Underlying Index, including past performance and volatility, can be obtained by electronic means free of charge at <https://www.msci.com/documents/10199/db217f4c-cc8c-4e21-9fac-60eb6a47faf0>³⁸.

Disclaimer

The Index Sponsor and its licensors, research partners or data providers have no relationship with the Issuer, other than the licensing of the Issuer’s right to insert the Underlying Index and the related trademarks for use in connection with the Warrants. “Index Sponsor” shall also refer to the entities belonging to the same corporate group as the Index Sponsor.

The Index Sponsors and its licensors, research partners or data providers do not (i) sponsor, endorse, sell or promote the Warrants, (ii) recommend that any person invest in the Warrants or any other securities, (iii) have any responsibility or liability for or make any decisions regarding the timing, amount or pricing of the Warrants, (iv) have any responsibility or liability for the administration, management or marketing of the Warrants, (v) consider the needs of the Warrants or the owners of the Warrants in determining, composing or calculation the Underlying Index or have an obligation to do so.

The Index Sponsor and its licensors, research partners or data providers give no warranty and exclude any liability (whether in negligence or otherwise) in connection with the Warrants and their performance.

³⁸ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

The Index Sponsor does not assume any contractual relationship with the purchasers of the Warrants or any third parties. Specifically (i) the Index Sponsor and its licensors, research partners or data providers do not give any warranty, express or implied, and exclude, in particular, any liability about: (x) the results to be obtained by the Warrants, the owner of the Warrants or any other person in connection with the use of the Underlying Index and the data contained in the Underlying Index, (y) the accuracy, timeliness, and completeness of the Underlying Index and its data; (z) the merchantability and fitness for a particular purpose or use of the Underlying Index and its data; (xx) the performance of the Warrants generally.

The Index Sponsor and its licensors, research partners or data providers give no warranty and exclude any liability, for any errors, omissions or interruptions of in the Underlying Index or its data. Under no circumstances will the Index Sponsor or its licensors, research partners or data providers be liable (whether in negligence or otherwise) for any lost profits or indirect, punitive, special or consequential damages or losses, arising as a result of such errors, omissions or interruptions in the Underlying Index or its data or generally in relation to the Warrants, even in circumstances where the Index Sponsor or its licensors, research partners or data providers are aware that such loss or damage may occur.

The licensing agreement between the Issuer and the Index Sponsor is solely for their benefit and not for the owners of the Warrants or any third parties.

14. THIRD PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS

(Annex 6.1 and 17.3 of Commission delegated regulation (EU) 2019/980)

Except for the audited financial statements of the Issuer, there has not been any statement or report attributed to a person as an expert which is included in this Base Prospectus.

Further, and except for the audited financial statements of the Issuer, there is no information in this Base Prospectus which has been audited or reviewed by statutory auditors and no auditor has produced a report with respect to this Base Prospectus.

The Issuer does not intend to provide post-issuance information.

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

15.DOCUMENTS ON DISPLAY

(Annex 6.14 of Commission delegated regulation (EU) 2019/980)

Copies of the documents incorporated by reference (including the Issuer's articles of association) are available free of charge on the website www.belfius.be and at the office of Belfius Bank and will be available during the entire lifetime of the Warrants.

Additionally, the future annual reports of Belfius Bank will be published on its internet site <https://www.belfius.be/about-us/en/investors/results-reports/reports>³⁹.

³⁹ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

ANNEX 1

Template for Final Terms

FINAL TERMS

Set out below is the form of Final Terms which will be completed for each series of Warrants issued under the Programme.

[Date]

BELFIUS BANK SA/NV

Limited liability Company of unlimited duration incorporated under Belgian law

Issue of [...] (Aggregate Nominal Amount of Series of Warrants)

[Title of relevant Series of Warrants]

under the

Warrant Issuance Programme

[MIFID II product governance / Retail investors, professional investors and ECPs target market – Belfius Bank SA/NV acts as sole manufacturer and distributor (each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") of the Warrants. Solely for the purposes of Belfius Bank SA/NV's product approval process, the target market assessment in respect of the Warrants has led to the conclusion that: (i) the target market for the Warrants is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Warrants to retail clients are appropriate - investment advice, portfolio management and non-advised sales.]

*[include in case of Employer Warrants: **PROHIBITION OF SALES TO CONSUMERS IN BELGIUM** –* The Warrants are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*).]

[PRIIPs Regulation - A key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and is available on [●].]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [24 October 2023] which constitutes a base prospectus for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus, including, for the avoidance of any doubt, any supplements to the Base Prospectus. Full information on the Issuer and the Offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at (i) the office of the Issuer and copies may be obtained from the Issuer at that address and (ii) the website [_____].

These Final Terms relate to the securities and must be read in conjunction with, and are subject to, the provisions contained in the Base Prospectus as so supplemented. These Final Terms, and the relevant provisions constitute the conditions of each series of the Warrants described herein. A summary of the Base Prospectus is attached to these Final Terms.

In case of any inconsistency between the Base Prospectus and the Final Terms, the Final Terms shall prevail.

The issue of the Warrants has been authorized by resolutions of the Issuer dated [●].

Series Number:	[●]
Tranche Number:	[●]
Warrant category:	[Employee Warrants]/[Employer Warrants]
Warrant type:	The Warrants can only be exercised during the Exercise Period;
Commission:	[●] EUR;
Costs:	There are no additional costs of subscription, no additional costs upon exercise (besides, in respect of the Employee Warrants only, the payment of the Strike Price) and no additional costs upon a sale to the Issuer. In relation to the Employee Warrants, only applicable subscription fees in the Underlying Index, as may exist at such time and applicable taxes are due.;
Exercise Period:	Each business day on which commercial banks in Belgium are open for business from (and including) [●] until (but excluding) the Maturity Date;
Cancellation:	In certain events, the Warrants may be cancelled (Please refer to Conditions 7.7 (<i>Cancellation</i>) and 8.7 (<i>Cancellation</i>));
Adjustments:	In certain events, the features of the Underlying Index may be adjusted (Please refer to Condition 7.10 (<i>Adjustments to the Underlying Index</i>) and 8.10 (<i>Adjustments to the Underlying Fund Shares</i>));
Form:	Book entry;
Currency:	EUR;
ISIN Code:	[●];
Issue Date:	[●];

Issue Price:	[10,50] EUR (being [10] EUR, increased with the Commission);
Issuer:	Belfius Bank, a limited liability company incorporated under the laws of Belgium (hereinafter “Belfius Bank”) (see the Base Prospectus for information about the Issuer);
Maturity Date:	[●];
Offering Period:	The Warrants will be offered for subscription from [●] until and including [●] (4 p.m. Brussels time);
Minimum Amount of the Offer:	[100.000 EUR];
Maximum Amount of the Offer:	[No Maximum];
Parity:	The Parity is the number of Warrants necessary to buy an Underlying Value at the payment of the Strike Price. The Parity equals a percentage of the Initial Price of the Underlying Value at Issue Date divided by the Issue Price minus Commission;
Strike Price:	[[100]% of the Initial Price of the Underlying Index]/[the net asset value of the Underlying Fund Shares on [●] which will be posted on https://www.belfius.be/retail/nl/producten/sparen-beleggen/Beleggen/fondsen-beveks/fiche-fondsen/index.aspx?id=BE0945524651&component=ALLWH23&iwsuniverse=retail ⁴⁰ denominated in EUR];
Initial Price:	[The closing value of the Underlying Index will be posted on https://www.msci.com/end-of-day-history?chart=regional&priceLevel=41&scope=R&currency=119&indexId=110&size=36] ⁴¹ / [Not applicable]

⁴⁰ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

⁴¹ Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with Section 5 of this Base Prospectus.

Averaging:	[Applicable]/[Not Applicable]; <i>(Note: always "Not Applicable" in relation to Employee Warrants)</i>
Averaging Dates:	[dates]/[Not Applicable]; <i>(Note: always "Not Applicable" if Averaging is Not Applicable)</i>
Valuation Date:	[•];
Rounding:	[In accordance with Condition 7.11 (<i>Rounding</i>)]/ [In accordance with Condition 8.11 (<i>Rounding</i>)]/[specify];
Governing law and jurisdiction:	The Warrants are governed by the laws of Belgium. All disputes arising out of or in connection with the Warrants shall be exclusively submitted to the jurisdiction of the competent courts in Brussels;
Underlying Value:	[MSCI Europe Net Total Return Index (M7EU)]/[a class C share (capitalisation) of the compartment Belfius Equities Europe Conviction (Code ISIN: BE0945524651; Code Bloomberg: DEXBEUR BB), within Belfius Equities, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises' number 0444.229.910, with multiple compartments, incorporated for an indefinite duration];
Cash Settlement Amount:	[Not Applicable]/[The amount determined by the Calculation Agent in accordance with Condition 7.5.2 (<i>Settlement</i>) of the Conditions in relation to any Warrant being exercised;] <i>[Note: always "Not Applicable" if the Warrants are Employee Warrants]</i>
Responsibility:	The Issuer accepts responsibility for the information contained in these Final Terms.

ANNEX 2

Prospectus of the Underlying Fund Shares of the Employee Warrants

**REGISTERED OFFICE OF
ISSUER AND CALCULATION AGENT**

Belfius Bank SA/NV

Place Charles Rogier 11

B- 1210 Brussels

Belgium

AUDITORS

KPMG Reviseurs d'Entreprises SRL

Gateway building, Luchthaven Nationaal 1 K

1930 Zaventem

Belgium

LEGAL ADVISOR

Linklaters LLP

Brederodestraat 13

1000 Brussels

Belgium