

SUMMARY Belfius Financing Company (LU)

USD 03/2022 – 03/2026

The following summary is established in accordance with Article 7 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, and conveys, in a brief manner and in a non-technical language, the essential characteristics and risks associated with the Issuers, the Guarantor and the Notes.

Summary of the BELFIUS FINANCING COMPANY SA AND BELFIUS BANK SA/NV NOTES ISSUANCE PROGRAMME (the “Programme”) EUR 20,000,000,000

Introduction and warnings

A.1 Introduction:

- type, class and international securities identification number (ISIN) of the securities:
Debt Securities – Fixed Rate Notes – Structure with a periodic payment
ISIN Code: BE6332846078
- identity and contact details of the Issuer, including its legal entity identifier (LEI):
Belfius Financing Company SA
 - a. Contact details: 20, rue de l'Industrie, L-8399 Koerich, Grand Duchy of Luxembourg
 - b. LEI: 222100XN1KG7XBC16R52
- identity and contact details of the competent authority approving the Base Prospectus:
Financial Services and Markets Authority (FSMA)
Contact details: Congressstraat 12-14, 1000 Brussels, Belgium, telephone +32 2 220 52 11
- date of approval of the Base Prospectus: 25 May 2021

A.2 Warning that:

- **this summary should be read as an introduction to the Base Prospectus;**
- **any decision to invest in the securities should be based on consideration of the Base Prospectus as a whole by the investor;**
- **the product relates to a structured product that is not simple and may be difficult to understand;**
- **where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and**
- **civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.**

Issuer and Guarantor

B.1. Who is the Issuer/Guarantor of the securities?

Issuer: Belfius Financing Company SA

B.1.1 Legal and commercial name of the Issuer

Legal name: Belfius Financing Company SA

Commercial name: Belfius Financing Company

B.1.2 Domicile, legal form, legislation, country of incorporation and LEI

Belfius Financing Company SA is a *société anonyme* incorporated under Luxembourg law and is registered with the *Register of Commerce and Companies of Luxembourg* under number B 156767 ("R.C.S Luxembourg"). The articles of association of Belfius Financing Company were last amended and restated by notarial deed on 7 May 2014.

Its registered office is at: 20, rue de l'Industrie, L-8399 Koerich, Grand Duchy of Luxembourg.

LEI: 222100XN1KG7XBC16R52

B.1.3 Key managing directors (Board of Directors)

Category A Directors	Category B Directors
<ul style="list-style-type: none">Werner DriscartKristin Claessens	<ul style="list-style-type: none">Benoît FeltenChristoph Finck

B.1.4 Position of the Issuer in its group

Belfius Financing Company is a special purpose vehicle fully owned by Belfius Bank.

B.1.5 Statutory auditor

KPMG Luxembourg, *Société coopérative*

39, Avenue John F. Kennedy, L-1855 Luxembourg

Grand Duchy of Luxembourg

B.1.6 Principal activities

Belfius Financing Company is a special purpose vehicle fully owned by Belfius Bank. Belfius Financing Company issues Notes and transfers the proceeds of such issues to Belfius Bank.

Guarantor: Belfius Bank SA/NV

B.1.1 Legal and commercial name of the Guarantor

Legal name: Belfius Bank SA/NV

Commercial name: Belfius Bank

B.1.2 Domicile, legal form, legislation, country of incorporation and LEI

Belfius Bank is a limited liability company of unlimited duration incorporated under Belgian law and is registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185.

Its registered office is at Place Charles Rogier 11, B-1210 Brussels, Belgium, telephone +32 2 222 11 11.

LEI: A5GWL3H3KM7YV2SFQL84

B.1.3 Key managing directors (Management Board)

- Marc Raisière (Chairman)

- Marianne Collin (Member)

- Dirk Gyselinck (Member)

- Olivier Onclin (Member)

- Johan Vankelecom (Member)

B.1.4 Position of the Guarantor in its group

Belfius Bank is fully held by the Belgian Federal State, through the Federal Holding and Investment Company ("FHIC"), which manages Belfius Bank at arm's length. Belfius Bank is not dependent of any of its subsidiaries, save for Belfius Insurance SA/NV.

B.1.5 Statutory auditor

KPMG Belgium

Luchthaven Brussel Nationaal 1K

B-1930 Zaventem

Belgium

B.1.6 Principal activities

Belfius Bank's object is to carry on the business of a credit institution. Furthermore, Belfius Bank may distribute insurance products from third party insurance companies.

B.2. What is the key financial information regarding the Issuer/Guarantor? Issuer: Belfius Financing Company SA

B.2.1 Profit forecast or estimate

Belfius Financing Company does not disclose any forecast of its future results.

B.2.2 Qualifications in the audit report on the historical financial information

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2020: Report on the consolidated financial statements – Unqualified opinion

B.2.3 Selected historical key financial information

The audited Balance Sheet of Belfius Financing Company as at 31 December 2019 and 31 December 2020, as the audited Profit and Loss Account of Belfius Financing Company as of 31 December 2019 and 31 December 2020 (all expressed in thousands of EUR) are set out below:

Balance Sheet		
(in thousands of EUR)	31/12/2019	31/12/2020
	audited	audited
SUBSCRIBED CAPITAL UNPAID	981	981
FORMATION EXPENSES	0	-
IMMOBILIZED ASSET	9	14
CURRENT ASSETS	10,792,037	9,274,113
PREPAYMENTS	7	9
TOTAL ASSETS	10,793,034	9,275,117
CAPITAL AND RESERVES	4,628	4,617
PROVISIONS	223	-
CREDITORS	10,788,102	9,270,362
DEFERRED INCOME	81	138
TOTAL LIABILITIES	10,793,034	9,275,117

Profit and Loss Account		
(in thousands of EUR)	31/12/2019	31/12/2020
	audited	audited
STAFF COSTS	-306	-286
VALUE ADJUSTMENTS	-7	-3
OTHER OPERATING EXPENSES	-812	-703
OTHER OPERATING INCOME	0	14
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	146,309	136,391
INTEREST PAYABLE AND SIMILAR EXPENSES	-144,377	-134,821
TAX ON PROFIT	-223	-165
PROFIT AFTER TAXATION	584	427
OTHER TAXES	0	-
PROFIT FOR THE FINANCIAL YEAR	584	427

B.2.4 Material adverse change in the prospects

Not applicable, there are no relevant changes.

B.2.5 Significant changes in the financial performance

Not applicable, there are no relevant changes.

B.2.6 Recent events relevant to the evaluation of the Issuer's solvency

Not applicable.

B.2.7 Credit ratings assigned to the Issuer or its debt instruments

Not applicable. Belfius Financing Company is a non-rated company.

Guarantor: Belfius Bank SA/NV

B.2.1 Profit forecast or estimate

Belfius Bank does not disclose any forecast of its future results.

B.2.2 Qualifications in the audit report on the historical financial information

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2020: Report on the consolidated financial statements – Unqualified opinion

B.2.3 Selected historical key financial information

The audited consolidated Balance Sheet of Belfius Bank as at 31 December 2019 and 31 December 2020, as the audited consolidated Statement of Income & Cash Flow Statement of Belfius Bank as of 31 December 2019 and 31 December 2020 (all expressed in thousands of EUR) are set out below:

Consolidated Balance Sheet (in thousands of EUR)	31/12/2019 Audited	31/12/2020 Audited
TOTAL ASSETS	172,439,465	187,991,433
TOTAL LIABILITIES	161,933,465	177,258,036
TOTAL EQUITY	10,506,000	10,733,397
TOTAL LIABILITIES AND EQUITY	172,439,465	187,991,433

Consolidated statement of income (in thousands of EUR)	31/12/2019 Audited	31/12/2020 Audited
INCOME	2,488,587	2,613,649
EXPENSES	-1,452,379	-1,464,919
GROSS OPERATING INCOME	1,036,208	1,148,730
NET INCOME BEFORE TAX	918,010	678,984
NET INCOME AFTER TAX	666,103	531,624
NET INCOME Attributable to equity holders of the parent	667,496	531,615

Consolidated cash flow statement (in thousands of EUR)	31/12/2019 Audited	31/12/2020 Audited
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,458,328	14,252,685
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-134,489	-82,172
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-436,317	-14,095
NET CASH PROVIDED	887,522	14,156,418
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	10,838,068	11,725,894
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	304	-413
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	11,725,894	25,881,900

B.2.4 Material adverse change in the prospects

There has been no material adverse change in the prospects of the Guarantor since the date of its last published audited financial statements.

B.2.5 Significant changes in the financial performance

There are no significant changes in the financial performance subsequent to the period covered by the historical financial information.

B.2.6 Recent events relevant to the evaluation of the Guarantor's solvency

The robust liquidity and solvency position of Belfius arises from its successful and diversified funding strategy, its sound risk management, sustainable commercial performances and its solid financial results. Belfius is compliant with the SREP (Supervisory Review and Evaluation Process) and the liquidity requirements imposed by the ECB and the BNB.

B.2.7 Credit ratings assigned to the Guarantor or its debt instruments

As at 28 January 2022, Belfius Bank had the following long-term ratings: A- (*stable outlook*) with Fitch, A1 (*stable outlook*) with Moody's and A (*stable outlook*) with Standard & Poor's.

B.3. What are the key risks that are specific to the Issuer/Guarantor?

B.3.1 Credit risks: Credit risks are inherent in a wide range of Belfius Bank's businesses. These include risks arising from changes in the credit quality of counterparties as well as the inability to recover amounts due from counterparties. This means that Belfius Bank is exposed to the risk that third parties owing Belfius Bank money, securities or other assets do not pay, deliver or perform under their obligations. Bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other factors may cause them to default on their obligations towards Belfius Bank.

B.3.2 Profitability: Changes in the profitability and changes in the expectations about the future profitability can influence the secondary market value of Belfius' liabilities. Besides the general economic and competitive climate, monetary policy is among the most important factors determining bank profitability.

- B.3.3 Liquidity Risk:** Liquidity risk consists of the risk that Belfius Bank will not be able to meet both expected and unexpected current and future cash flows and collateral needs. The monitoring of this risk factor is done through internal and regulatory liquidity Key Risk Indicators (KRI) that are reported on a regular basis and the compliance with those KRI is also tested under stress scenarios. The liquidity risk at Belfius Bank is mainly stemming from:
- the variability of the amounts of commercial funding collected from retail and private customers, small, medium-sized and large companies, public and similar customers and the way these funds are allocated to customers through all type of loans;
 - the volatility of the collateral that is to be deposited at counterparties in respect of 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.
- B.3.4 Competition:** Belfius Bank faces strong competition across all its markets from local and international financial institutions including banks, life insurance companies and mutual insurance organisations. The presence of Belfius solely limited to Belgium can be assessed as a competitive disadvantage compared to its peer competitors. While Belfius Bank believes it is positioned to compete effectively with these competitors, there can be no assurance that increased competition will not adversely affect Belfius Bank's pricing policy and lead to losing market share in one or more markets in which it operates.
- B.3.5 Regulatory risk:** As is the case for all credit institutions, Belfius Bank's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates, mainly in Belgium. Recent years were marked by significant changes to regulatory regimes. Belfius Bank's business and earnings are also affected by fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments and international agencies. The nature and impact of future changes to such policies are not predictable and are beyond Belfius Bank's control.
- B.3.6 COVID-19:** Since the World Health Organization (WHO) declared the COVID-19 outbreak a public health emergency of international concern in January 2020, it has spread across the globe. The WHO has continuously raised its global risk outlook and announced more new cases outside of China than within for the first time on 26 February 2020. The outbreak is a major shock weighing on global financial markets and is now expected to heavily impact global economic growth. It is expected that there is significant disruption to economic activity, particularly a slowdown in production and a reduction in domestic and foreign demand, and may consequently have an impact on the financial position of Belfius (amongst others solvency, liquidity, insurance premiums, interest margin, fee income, fair value results as well as cost of risk).
- B.3.7 Market Risk:** Market Risks are inherent to a range of Belfius Bank's businesses. Apart from the interest rate risk, Belfius Bank is particularly sensitive to P&L volatility stemming from value adjustments (xVA's). These value adjustments are mostly related to the ex-legacy portfolio. Moreover, the hedging of structured retail products with illiquid equity indices as underlying has structurally increased the equity risk. New derivative single stock activity might also bring additional equity risk.
- More elaborately, market risk within Belfius Bank is focused on all Financial Markets activities of the bank and encompasses, as mentioned above, interest rate risk, spread risk and associated credit risk/liquidity risk, foreign-exchange risk, equity risk (or price risk), inflation risk and commodity price risk. To mitigate the market risk impact, important management actions have been taken, such as additional hedges and reduction of open positions. This has, amongst others, led to reduced credit spread sensitivities.

Securities

C.1. What are the main features of the securities?

C.1.1 Type, class and identification number

Debt Securities – Fixed Rate Notes – Structure with a periodic payment
ISIN Code: BE6332846078

C.1.2 Currency

USD

C.1.3 Denomination

USD 2,000

C.1.4 Restrictions on the free transferability

Subject to any applicable law or regulation, there are no specific restrictions on the free transferability

C.1.5 Rights attached to the securities including ranking/seniority and limitations to those rights

The Notes are direct, unconditional and unsecured obligations of the Issuer and rank without any preference among themselves, with all other obligations of the Issuer of the same category, only to the extent permitted by laws relating to creditor's 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.

C.1.6 — nominal interest rate

1.75 per cent per annum.

— date from which interest becomes payable and due dates for interest

Interest Period End Dates: annually on each 9 March, from 9 March 2023 up to and including 9 March 2026, not subject to adjustment in accordance with the Business Day Convention.

Interest Payment Dates: annually on each 9 March, from 9 March 2023 up to and including 9 March 2026, subject to adjustment in accordance with the Business Day Convention.

— Issue Date, Issue Price, selling fees, Maturity date, exercise date, final reference date and arrangements for the amortization of the Notes, including the repayment procedures

Issue Date: 9 March 2022

Issue Price: 101%

Maturity Date: 9 March 2026

Redemption Price: 100%

— gross yield

Gross yield calculated at the Maturity Date, after deduction of fees: 1.49 per cent per annum.

C.2. Where will the securities be traded (admission to trading)?

The securities will not be admitted to trading.

C.3. Is there a guarantee attached to the securities?

C.3.1 Nature and scope of the guarantee

The Guarantee means that, in case of dissolution or liquidation of Belfius Bank (the Guarantor), the payment of the guarantee will have the same priority as all other obligations of Belfius Bank belonging to the same category (namely direct, unsecured, unconditional, preferred and unsubordinated). This category can be seen as the "ordinary creditors" and has a lower priority than the "privileged creditors" (ONSS, State, employees, etc.).

C.3.2 Information about the Guarantor

Belfius Bank is a limited liability company of unlimited duration incorporated under Belgian law. Its registered office is at Place Charles Rogier 11, B-1210 Brussels, Belgium, telephone +32 2 222 11 11. LEI: A5GWLFFH3KM7YV2SFQL84

C.3.3 Key financial information for the purpose of assessing the Guarantor's ability to fulfil its commitments under the guarantee

See B.2.3 above

C.3.4 Material risk factors

See B.3 above

C.4. What are the key risks that are specific to the securities?

C.4.1 Risks related to the liquidity of the Notes: The Notes may have no established trading market, or if a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

C.4.2 Risks related to the Bail-in of the Notes: Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms aims to provide supervisory and resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. This means that Noteholders may lose some or all of their investment (including outstanding principal and accrued but unpaid interest) as a result of the decision taken by the resolution authority to unwind or convert into shares all or part of the Notes ("**bail-in**" resolution tool).

- C.4.3 Risks related to the market value of the Notes:** The market value of an issue of Notes will be affected by a number of factors, including, but not limited to, market interest and yield rates, volatility in the market, the creditworthiness of the Issuers and the Guarantor (as applicable), the time remaining to any redemption date or maturity date, and economic, financial and political events in one or more jurisdictions. The price at which a Noteholder will be able to sell any Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the issue date. Potential investors should consider reinvestment risk in light of other investments available at that time.
- C.4.4 Risks related to Reinvesting Risk:** Noteholders are exposed to the reinvestment risk in several situations. For example, reinvestment risk arises in a declining interest rate environment because Noteholders will only be able to reinvest the principal and/or interest paid to them at lower interest rates compared to the interest rates prevailing at the time they subscribed the Notes. Reinvestment risk can be increased by the fact that Notes may include a redemption at the option of the Issuer (Call Option).
- C.4.5 Risks related to Change of Tax Law:** The Terms and Conditions of the Notes are, save to the extent referred to therein, based on legislation in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or changes to the laws in Belgium, other jurisdictions (such as the Foreign Account Tax Compliance Act (“**FATCA**”) under US law) or on a supranational level (e.g. the EU Financial Transaction Tax) or administrative practice after the date of issue of the Notes.
- C.4.7 Risks related to Foreign Currency Notes:** As purchasers of foreign currency Notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to each Issuer or the type of Note being issued.

Offer

D.1. Under which conditions and timetable can I invest in this security?

D.1.1 Terms and conditions of the offer

Offering Period from 1 February 2022 until 6 March 2022 (except in case of early closing).

The Issuer has the right to cancel any issue of Notes under the Programme during the 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. The Issuer has the right to anticipatively terminate the Offering Period if the Maximum Amount of the relevant Notes issue had been reached or if the market conditions adversely affect the interest or the redemption amounts to be paid by the Issuer.

D.1.2 Estimated expenses charged to the investor

A. Fees included in the Issue Price, linked to the structuration and management of the Notes and borne by the investors:

- **Upfront fee:** Maximum 1% of the subscribed nominal amount of Notes.
- **One-off product costs:** Maximum 1% of the subscribed nominal amount of Notes
- **Recurring annual fees:** Maximum 0.75% of the subscribed nominal amount of Notes, i.e. a maximum of 3.00% if the Notes are held until the scheduled Maturity Date.

B. Fees and other costs not included in the Issue Price, and borne by the investors:

- **Brokerage Fee:** Not Applicable
- **Currency exchange services:** A foreign exchange rate commission of maximum 1.00% could be charged to the investors.

D.2. Why is this prospectus being produced?

D.2.1 Use and estimated net amount of the proceeds

The net proceeds of Notes, i.e. the Nominal Amount less any expenses and fees, will be used for general corporate purposes of Belfius Bank. Belfius Financing Company will transfer the proceeds to Belfius Bank.

Estimated net amount: depends on the total subscribed amount that is only known at the end of the Offering Period.

D.2.2 Underwriting agreement

The offer is not subject to any underwriting agreement.

D.2.3 Most material conflicts of interest pertaining to the offer

There are no material conflicts of interest identified in this offer.