# BELFIUS FINANCING COMPANY

(*Incorporated with limited liability under the laws of the Grand Duchy of Luxembourg*)

**Issuer**

# BELFIUS BANK SA/NV

(*Incorporated with limited liability under the laws of Belgium*)

**Issuer, Guarantor, Domiciliary Agent, Principal Paying Agent, Paying Agent and Calculation Agent**

## BANQUE INTERNATIONALE A LUXEMBOURG SA

**Fiscal Agent and Principal Paying Agent**

# NOTES ISSUANCE PROGRAMME

EUR 20,000,000,000

Under the Notes Issuance Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), Belfius Bank SA/NV (with legal entity identifier ("**LEI**") A5GWLFH3KM7YV2SFQL84) (also named Belfius Banque SA/Belfius Bank NV, "**Belfius Bank**") and Belfius Financing Company (with LEI 222100XN1KG7XBC16R52) ("**Belfius Financing Company**"), together the "**Issuers**" and each, individually, an "**Issuer**", may from time to time, issue notes (in the case of notes issued by Belfius Bank referred to as the "**Belfius Bank Notes**", in the case of notes issued by Belfius Financing Company as the "**Belfius Financing Company Notes**", together referred to as the "**Notes**" and individually as a "**Note**"), which may be linked to various underlyings (the "**Underlying**"), that rank as senior preferred obligations of the Issuers (the "**Notes**"). Notes issued by Belfius Financing Company will be guaranteed by Belfius Bank (the "**Guarantor**") pursuant to a senior preferred unsecured guarantee (the "**Guarantee**").

The aggregate principal amount of Notes outstanding will not at any time exceed EUR 20,000,000,000 (or the equivalent in other currencies).

Each Tranche of Notes will be documented by final terms (the "**Final Terms**"). Copies of the Final Terms will be made available on Belfius' website (https://www.belfius.be/retail/nl/producten/sparen-beleggen/beleggen/obligaties-gestructureerde-uitgifte/index.aspx / https://www.belfius.be/retail/fr/produits/epargner-investir/investir/obligations-emissions-structurees/index.aspx).

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see Section 5 of this Base Prospectus). This Base Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Notes, should be read and construed in conjunction with each relevant Final Terms.

This Base Prospectus (as amended or supplemented from time to time and including all documents incorporated by reference therein) and the relevant Final Terms together constitute the prospectus for each Tranche of Notes. Any decision to invest in Notes should be based on a consideration of the Base Prospectus as a whole and the relevant Final Terms.

The Notes shall be Debt Securities or Derivative Securities as referred to in 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, as amended (herein referred to as "**Commission Delegated Regulation (EU) 2019/980**"). Debt Securities are debt instruments for which the Issuer commits itself to redeem the principal invested at maturity. Derivative Securities are securities of which the value is dependent on the value of an underlying.

The Belfius Bank Notes will be issued in dematerialised form in accordance with Articles 7:35 et seq. of the Belgian Code of Companies and Associations, and will be represented by a book-entry in the records of the clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**Securities Settlement System**"). The Belfius Financing Company Notes will be issued in dematerialised form, in registered form (*obligations nominatives/obligaties op naam*) or in bearer form and will be governed by Belgian law. The Belfius Financing Company Notes which are issued in dematerialised form will be represented by a book-entry in the records of the Securities Settlement System. The Belfius Financing Company Notes which are issued in registered form (*obligations nominatives/obligaties op naam*) will be issued pursuant to the applicable provisions of Articles 7:27 to 7:34 of the Belgian Code of Companies and Associations to the extent not deviated from by the Terms and Conditions of the Belfius Financing Company Notes. The Belfius Financing Company Notes which are issued in bearer form will be represented by a Permanent Global Note, deposited with the common depositary for Euroclear and Clearstream Banking S.A. and will not be exchangeable for definitive notes.

**Notes issued under this Programme constitute unsecured debt instruments. In case of insolvency or default by an Issuer or the Guarantor (as applicable), investors may not recover all amounts they are entitled to and risk losing all or a part of their investment. Investing in Notes issued under the Programme involves certain risks and may not be a suitable investment for all investors. Each prospective investor must carefully consider whether it is suitable for that investor to invest in the Notes in light of its knowledge and financial experience and should, if required, obtain professional advice. Prospective investors should read the Base Prospectus in its entirety and, in particular, the risk factors described under Section 2 (*Risk Factors*) before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the Notes. In case of an issue of Green Notes or Social Notes, investors should in particular read the risk factor entitled "*Risks related to Notes which qualify as "Green Notes" or "Social Notes" which have a particular use of proceeds identified in the applicable Final Terms*" including the sub-risk factors thereunder entitled "*Notes issued as Green Notes or Social Notes may not meet investor expectations or requirements*", "*No assurance of suitability or reliability of any Second Party Opinion*", "*No Event of Default or breach of contract*" and "*Notes issued as Green Notes or Social Notes are not linked to the performance of the Eligible Green Assets or Eligible Social Assets, as applicable, do not benefit from any arrangements to enhance the performance of the Green Notes or Social Notes or any contractual rights derived solely from the intended use of proceeds of such Green Notes or Social Notes*".**

In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

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

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

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

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

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

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

Belfius Financing Company is a fully owned subsidiary of Belfius Bank. This means that, for Notes issued by Belfius Financing Company, the credit risks of the Issuer and the Guarantor are closely linked. Such credit risks imply that the Noteholders may lose all or part of their investment in the Notes in case the Issuer and/or the Guarantor become insolvent or are unable to fulfil their obligations under the Notes and/or the Guarantee, respectively.

This Base Prospectus was approved by the Belgian Financial Services and Markets Authority ("**FSMA**") on 21 May 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, as amended (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 Financing Company and of Belfius Bank dated 23 May 2023 (except with respect to any Notes offered to the public under the base prospectus dated 23 May 2023 and which offer continues after the expiration of such previous base prospectus under which it was commenced). This Base Prospectus shall be valid for a period of one year from its date of approval, being until 21 May 2025. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Where this Base Prospectus contains hyperlinks to websites, the information on the websites does not form part of, and is not incorporated by reference into, 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 long-term ratings of Belfius Bank as at the date of this Base Prospectus are A1 (Moody's), A (Standard & Poor's) and A- (Fitch). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. 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'[1] website, at the following address: https://www.belfius.be/about-us/en/investors/ratings. Investors should note that Belfius Financing Company is not rated as at the date of this Base Prospectus and that Notes issued under the Programme will not be rated.

Each of Moody's, Standard & Poor's and Fitch is established in the European Union and is, on the date of this Base Prospectus, included in the updated list of credit rating agencies registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") published on the European Securities and Markets Authority ("**ESMA**")'s website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk). The information on this website does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised or approved by the FSMA.

This Base Prospectus and the Final Terms (including the summary thereto) of each Tranche of Notes that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Regulation (a "**Public Offer**") and any supplement to the Base Prospectus will be made available on Belfius' website in Dutch (https://www.belfius.be/retail/nl/producten/sparen-beleggen/beleggen/obligaties-gestructureerde-uitgifte/index.aspx) and in French (https://www.belfius.be/retail/fr/produits/epargner-investir/investir/obligations-emissions-structurees/index.aspx) and a copy will be able to be obtained free of charge in the offices of the Guarantor.

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

**MIFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment. A distributor subject to 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 ("**MiFID II**") is, however, responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under Commission Delegated Directive (EU) 2017/593 of 7 April 2016, any distributor subscribing for any Notes is a manufacturer in respect of such Notes.

**Benchmark Regulation** – Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011, as amended (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator

[1] Belfius Bank and its consolidated subsidiaries are referred to herein as "**Belfius**".

included in the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms (or, if located outside the European Union, recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the relevant Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

Amounts payable under the Notes may be calculated by reference to EURIBOR, SONIA, €STR or SOFR, as specified in the relevant Final Terms (or such other benchmark as may be specified in the relevant Final Terms). As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in ESMA's register of administrators under Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, the Bank of England (as administrator of SONIA), the European Central Bank (as administrator of €STR) and the Federal Reserve Bank of New York (as administrator of SOFR) do not appear in ESMA's register of administrators under the Benchmark Regulation. As far as the Issuer is aware, SONIA, €STR and SOFR do not fall within the scope of the Benchmark Regulation by virtue of Article 2 of the EU Benchmarks Regulation.

The Notes issued in dematerialised form within the Securities Settlement System where the Reference Rate (as defined in "Terms and Conditions of the Notes") is SONIA, SOFR or €STR may only be held by, and may only be transferred to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 holding their Notes in an exempt securities accounts that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the National Bank of Belgium.

**Notes issued as Green Notes or Social Notes** – None of the Issuers nor the Guarantor accepts any responsibility for any social, environmental or sustainability assessment of any Notes issued as Green Notes or Social Notes by any third party or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "social", "sustainability" or similar labels. No representation or assurance is given by the Issuers or the Guarantor as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Notes or Social Notes, nor is any such opinion or certification a recommendation by the Issuers or the Guarantor to buy, sell or hold any such Notes issued as Green Notes or Social Notes. Any information on, or accessible through, Belfius' website relating to Belfius' Green Bond Framework (as defined in the section headed "*Green Bond Framework*") or Belfius' Social Bond Framework (as defined in the section headed "*Social Bond Framework*") and the information in the Green Bond Framework, the Social Bond Framework and any second party opinion is not part of, nor is it incorporated in, this Base Prospectus. In addition, no assurance or representation is given by the Issuers, the Guarantor or any other person as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Notes issued as Green Notes or Social Notes. Any such opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein and/or the provider of such opinion for the purpose of any investment in the Notes issued as Green Notes or Social Notes. For the avoidance of doubt, this is without prejudice to the responsibility of the Issuers for the information contained in this Base Prospectus as set out in the section headed "*Responsibility Statement*" and for the information contained in the applicable Final Terms as indicated therein.

No person is or has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers or the Guarantor. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuers or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuers or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. If at any time during the life of the Programme the Issuers and the Guarantor shall be required, in the event of a significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus, to prepare a supplement pursuant to Article 23 of the Prospectus Regulation, the Issuers and the Guarantor will prepare and make available an appropriate supplement to this Base Prospectus.

This Base Prospectus contains or incorporates by reference certain statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Issuers' and Guarantor's business strategies, trends in its business, competition and competitive advantage, regulatory changes, and restructuring plans. Words such as believes, expects, projects, anticipates, seeks, estimates, intends, plans or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuers and the Guarantor do not intend to update these forward-looking statements except as may be required by applicable securities laws. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access to capital markets; (ii) market and interest rate fluctuations; (iii) the strength of the global economy in general and the strength of the economies of the countries in which the Issuers and the Guarantor conduct operations; (iv) the potential impact of sovereign risk, particularly in certain European Union countries which have in the past come under market pressure; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the Issuers and the Guarantor; (vii) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (viii) the possibility of the imposition of foreign exchange controls by government and monetary authorities; (ix) operational factors, such as systems failure, human error, or the failure to implement procedures properly; (x) actions taken by regulators with respect to the Issuers' and the Guarantor's business and practices in one or more of the countries in which the Issuers and the Guarantor conducts operations; (xi) the adverse resolution of litigation and other contingencies; (xii) the impact of events such as, or similar to, the Covid-19 pandemic and the conflict in Ukraine on the operations and financial position of the Issuers and the Guarantor; and (xiii) the Issuers' and Guarantor's success at managing the risks involved in the foregoing. The foregoing list of important factors is not exclusive. When evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Base Prospectus.

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

The distribution of this Base Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Neither the Issuers nor the Guarantor represent that this Base Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or the Notes may come are required by the Issuers and the Guarantor to inform themselves about, and to observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of the Notes. For a description of certain restrictions on offers and sales of Notes and on the distribution of this Base Prospectus, see "*Terms and Conditions of the Offer*".

**This Base Prospectus was approved by the FSMA on 21 May 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 Issuers or the Guarantor. 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 this Base Prospectus.**

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# 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 Notes of which prospective investors should be aware of.*

*An investment in the Notes 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 herein) before making any investment decision in respect of the Notes. The risks described below are risks which the Issuers and the Guarantor believe may have a material adverse effect on the relevant Issuer's and the Guarantor's (as applicable) financial condition and the results of its operations, the value of the Notes or the relevant Issuer's ability to fulfil its obligations under the Notes or the Guarantor's ability to fulfil its obligations under the Guarantee applicable to the Belfius Financing Company Notes. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties, including those of which the Issuers and the Guarantor are not currently aware or deem immaterial, may also potentially have an adverse effect on the relevant Issuer's and the Guarantor's business, results of operations, financial condition or future prospectus or may result in other events that could cause investors to lose all or part of their investment.*

*Factors which the Issuers and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.*

*In accordance with the requirements of the Prospectus Regulation, the most material risk factors within each category have been presented first according to an assessment made by the Issuers and the Guarantor based on the probability of their occurrence and the expected magnitude of their negative impact. The exact order in which the remaining risk factors are presented is not necessarily indicative of the probability of those risks actually occurring or of the scope of any potential negative impact thereof. Investors should note that the numbering of the risk factors is only included to enhance readability and does not reflect a specific order of the risk factors.*

*The Issuers and the Guarantor have assessed the most material risks, taking into account the negative impact (including any relevant mitigation measures) of such risks on the Issuers and the Guarantor and the probability of their occurrence ("**Global Criticality**"). Each risk factor relating to the Issuers and the Guarantor is followed by the Issuers' and the Guarantor's assessment of whether such Global Criticality can be assessed as high, medium or low.*

*The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the relevant Issuer to pay interest, principal or other amounts on or in connection with any Notes and the inability of the Guarantor to make payments in respect of the Guarantee applicable to the Belfius Financing Company Notes may occur for other reasons which are not known to the Issuers and the Guarantor or which the Issuers and the Guarantor 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 Notes and the Guarantee applicable to the Belfius Financing Company Notes 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 Notes, the appropriate tools to analyse that investment, and the suitability of that investment in each investor's particular circumstances. No investor should purchase the Notes 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 Notes. The market value of the Notes*

*is expected to fluctuate over time, and investors should be prepared to assume the market risks associated with these Notes.*

*Capitalised terms used herein and not otherwise defined shall bear the meaning ascribed to them in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus. Any reference to any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated and/or replaced from time to time.*

## *2.1. Risks related to Belfius Bank*

### 2.1.1. Risks related to the Financial Situation and Business Activity

#### 2.1.1.1. Macro & geopolitical situation (Global Criticality: High)

The risks linked to the macro & geopolitical situation (Global Criticality: High) can have an influence on the risks described hereafter under the uncertain environment presented in the next paragraph.

2023 has been another challenging year full of unexpected events. From a geopolitical perspective, it has been marked by major shocks such as the escalation of the Israeli-Hamas war, the ongoing Russian-Ukrainian war and China's evolving geopolitical ambitions. Large cyberattacks, combined with major breakthroughs in technological developments - generative AI in particular - have also shaped 2023. The banking sector, particularly in the United States, had a rough start to the year with the failure of three small to medium size US banks, triggering a sharp fall in global bank share prices and fears of global contagion, followed by the collapse of Crédit Suisse.

In Belgium, the banks also faced significant liquidity outflows at the end of the summer of 2023 following the issuance of a short-term State bond allowing bondholders to benefit from a tax advantage. All these events have shaped the risk landscape in 2023 and have led to acceleration of interest rate, liquidity, cyber and fraud risks, strong correlations between financial and non-financial risks, and increased volatility and uncertainty.

Against this backdrop, inflation fell sharply during the year, but core inflation remained elevated as wages continued to rise in a tightening labour market. To bring down longer term inflation expectations, central banks continued to tighten monetary policy throughout the year.

In this unstable environment, 2023 ended on a rather positive note for the Belgian economy, which significantly outperformed its European peers in terms of economic growth (annual gross domestic product ("**GDP**") growth of 1.5% in Belgium compared with 0.4% in the Euro Area). Investor sentiment has improved by the end of 2023, shifting from expectations of a possible recession to a "soft landing". Nevertheless, the year was full of challenges and such an outcome was not certain at the beginning of the year (the NBB's forecast for Belgium at the end of 2022 was 0.6% GDP growth and was subject to many uncertainties). Other countries have been less successful, as shown by the economic slowdown in Germany and some other European countries.

The Belfius loan portfolio continued to perform well in a challenging environment. The fundamental risk indicators, such as portfolio probability of default ("**PD**") and non-performing loans ("**NPL**"), remained stable. The real estate sector, both residential and commercial, was an attention point for the banking industry and regulators at national and international level. The in-depth analysis of the Belfius portfolio did not reveal significant weaknesses. Belfius continues to apply its sound credit standards, with an increasing focus on ESG transition-supporting projects. In 2023, Belfius, in line with its purpose, has provided, and will continue to provide further support to companies facing challenging market conditions.

Taking into account the increasing risk in Commercial Real Estate, a fundamental reassessment of these portfolios was carried out in 2023, both from a concentration and an overall risk perspective. The analysis confirmed the strong resilience of Belfius' portfolio.

The cost of risk ("**CoR**") in 2023 amounted to EUR -109 million, slightly larger than the cost of risk of EUR -105 million in 2022. This CoR was essentially driven by stage 3 provisions for an amount of EUR -118 million, slightly offset by a limited reversal of the overlay for economic uncertainty for an amount of EUR +41 million. The remaining overlay for economic uncertainty of EUR 194 million will allow Belfius to absorb potential defaults, if necessary.

The high interest rate environment led to further model refinements and hedging strategy adjustments. In the area of Interest Rate Risk In The Banking Book ("**IRRBB**") management, Belfius continued its interest rate strategy to hedge against rising interest rates and to adapt to a "higher for longer" interest rate environment. Belfius Bank entered into additional payer swaps and reduced the duration of individual savings accounts, while developing a robust commercial strategy to continue to meet customer needs. Belfius was the first (large) bank to increase its savings account tariff in 2023 and has continued to do so. Changes in customer preferences (for fixed-term liabilities) and the impact of the State bond have again highlighted the importance of sound interest rate risk management and scenario thinking in a world where tail risks are becoming the new normal. The IRRBB management and monitoring process was continuously improved during the year through refined and adjusted model assumptions and scenario thinking with continued focus on customer behaviour in order to protect the future development of Belfius' economic value and earnings.

For years, Belfius has been managing liquidity risks in a sound manner, which has allowed it to handle unprecedent events as, for instance, the unexpected shock induced by the 2023 1-year Belgian (1-year Belgian state bond) State bond as well as the expected reimbursement of targeted longer-term refinancing operations ("**TLTRO**").

This sound management has enabled Belfius to maintain a comfortable liquidity position with a buffer of EUR 45 billion, a Liquidity Coverage Ratio ("**LCR**") of 139%, well above the regulatory requirement of 100%, and a loan-to-deposit ratio of 93% at the end of 2023.

In light of increasing interest rates, risk management has focused on maintaining a well-balanced balance sheet as, on the one hand, a change of clients' behaviour has been observed with stronger preference for more profitable products, leading, consequently, to the need to closely manage and anticipate transfers from non-maturing deposits to fixed-terms products, while, on the other hand, keeping a strong commercial dynamic on all segments on the asset side.

In this new liquidity environment, and in line with its strategic goals of business growth and compliance with regulatory liquidity requirements, Belfius has issued around EUR 4 billion in long-term financing (covered bonds, preferred senior unsecured, and Tier 2) in 2023.

The CET 1 ratio remained strong at close to 16%, with higher than expected corporate loan production and lower than expected mortgage loan production. Net income could not fully offset the significant increase in risk-weighted assets ("**RWA**"), which was mainly driven by commercial growth in the corporate segment and the initial impact of the new model landscape. The implementation of the new model landscape (resulting in the transfer of some sub-segments from the internal risk-based approach to the standardised approach) had a negative impact of 36 bps on the CET1 ratio. However, the capital buffer remained very comfortable and will allow to continue to support the Belgian economy and to absorb unexpected shocks, which have become more frequent in recent years.

In terms of financial market risk, despite the periods of high volatility, exacerbated by ongoing conflicts in Europe and accompanied by the major market movements (yield curves, real rates, credit spreads, etc), the overall performance of Belfius' portfolio during the year was positive, demonstrating that Belfius' hedging strategy remains appropriate, including for Belfius' XVA for which it actively hedges. This performance was also due to previous derisking efforts, which were continued in 2023 with the sale of some bond positions.

On the opposite side, credit deteriorations have been observed in the first quarter of 2024 in both the Core derivative portfolio as well as within the Legacy Bond portfolios. The UK water sector may still be further affected this year with Ofwat's (UK water regulator) decision about price review for the regulatory period 2025-2030, which could affect the financial capacity of the water companies, and in particular of Thames Water Utilities Ltd

which requires further equity injections to be able to make the required investments to improve its operational performance. The sector and the adequacy of expected loss provisions are closely monitored.

Belfius Insurance has been able to maintain a strong Solvency profile as well in this uncertain year 2023. As of the end of December 2023, the consolidated Solvency II ratio ended up with a strong 195% (EUR 118 million with 50% pay-out ratio), higher than the Solvency II ratio at year-end 2022 (193%) and within Belfius Insurance's risk appetite (>160%). Belfius Insurance addressed the rise of interest rates based on a solid and pro-active ALM (cashflow matching) and also by innovating in Branch 21 Invest products finding its way to the Belfius customers. The launch of Belfius Direct Insurance enhanced innovation and is diversifying the footprint of Belfius in the insurance market by strongly believing in the "love" direct approach of the customers in a more digitalised world.

Looking forward, 2024 will be marked as one of the most significant years election-wise globally. An unprecedented number of voters (54% of the global population) will head to polls and the notion of democracy will be tested again in both developed and developing world, with increasing threat of AI misuse after the breakthrough in 2023. The results of the US election might shape the evolution of the geopolitical conflicts, as well as the trade agreements, sanctions and embargo policies, etc., therefore irrevocably affecting the economic activity. Performances of the economies will therefore be contrasting in 2024.

At the Belgian level, forming of the coalition government might take a long time with potential impact on investors' confidence in the context of a relatively large deficit and debt. In 2023, Belgium's federal government deficit has amounted to -4.4% of GDP, debt ratio rising to 105.2% of GDP, stemming from an important rise in public spending. In 2024, it is expected to edge upwards. Debt servicing costs have strongly decreased over the last 25 years but are now on the rise again, leading to higher public debt interest burden.

All in all, the level of uncertainty is therefore expected to remain elevated in 2024, with a large number of potential risks which can overshadow Belgian, European and global economic development. The escalation of the Israel-Hamas war, echoed in the ongoing conflict around the Red Sea, might continue to disrupt supply chains, leading to additional price tensions and higher than expected inflation in 2024.

Belfius remains vigilant to any signs of further deterioration in the economic situation and changes in macroeconomic conditions (including sudden changes in the yield curve) and will continue to provide strong support to the Belgian economy, within the risk framework, including to avoid significant failures in specific customer segments (such as SMEs) that could be detrimental to financial stability as well as addressing the rise in non-financial risks.

#### 2.1.1.2 Credit risk (Global Criticality: High)

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

In order to cover the unexpected credit losses, Belfius Bank applies the Advanced Internal Rating-Based ("**A-IRB**") approach to derive its minimum own funds requirement. The A-IRB approach consists of using three distinct internal models developed and maintained within Belfius Bank following the prescribed regulation (Regulation

(EU) No 575/2013 and other EBA regulatory technical standards) by asset class: a PD, a Loss-Given Default ("**LGD**") and a Credit Conversion Factor ("**CCF**")[2].

Belfius Bank's solvency is resilient with a CET1 ratio at the end of December 2023 of 15.95%, a decline of 49 basis points compared to the end of 2022 (16.44% pro forma for IFRS 17).

On denominator level, at the end of December 2023, regulatory risk exposure of Belfius amounted to EUR 69,504 million, an increase with EUR 5,353 million compared to EUR 64,150 million at the end of 2022 driven by the increase of credit risk RWA:

- The credit RWA increased by EUR 5,021 million to EUR 54,291 million, mainly due to the commercial growth in franchise activities, particularly in the corporate segment, as well as due to the regulatory changes, mostly driven by the first phase of Belfius' model landscape review consisting in a planned reversal to the standardised approach of some low default portfolios. As at the date of this Base Prospectus, all segments are showing a good resilience to the challenging economic environment in terms of credit quality.
- The RWA for the Danish Compromise increased by EUR 511 million to EUR 8,422 million, mainly as a result of the increased equity value of Belfius Insurance following the increases in reserves and net income (EUR 114 million) and OCI reserves (EUR 23 million).
- The Credit Value Adjustment ("**CVA**")[3] RWA[4] remained stable over the year (+ EUR 85 million) while encountering some volatility in the last quarter following rates movements.
- The market risk RWA[5] decreased by EUR 611 million to EUR 2,369 million. The sharp drop observed in the first quarter of 2023 due to the methodological changes in the Value-at-Risk ("**VaR**") calculation method was partially offset in the course of the year due to scenario volatility and position increase.
- The regulatory operational risk exposure – based on the standardised approach – increased by EUR 348 million, in line with the increase in income.

In order to cover the expected credit losses ("**ECL**"), Belfius Bank applies a provisioning methodology relying on IFRS 9. A set of PD, LGD and CCF models are also used to estimate the provisions to estimate the one-year and the Lifetime Expected Credit Losses for all facilities. Unlike the one performed for capital estimates, the provisions are expressed as Point-In-Time estimates.

The pro-active management of the ECL relies on the CoR metric. The CoR approach follows a waterfall principle in Belfius. The provisions for stage 1 & 2 are calculated in a mechanical mode, based on a view on the macroeconomic conditions and perspectives (pillar 1). If Belfius Bank considers that certain risk pockets, defined in terms of sectors or groups of companies, are not sufficiently covered by the mechanical provisions, certain expert overlays are added (pillar 2). If, additionally, the assessment of certain individual counterparties indicates that they present a significantly increased credit risk, but are not yet in default, the constituted provisions could be insufficient. For these cases, an individual management adjustment on the expected credit loss in stage 2 is added (pillar 3). For counterparts in default status (stage 3), the standard impairment process is run and specific provisions are calculated and booked (pillar 4).

At the end of 2023, an ESG layer has been introduced for environmental risks, related to specific risk pockets within the mortgage and E&E portfolios, in order to anticipate potential risks from the climate transition. It is

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[2] The CCF accounts for the expected evolution of the off-balance part of the exposure and is used to model the Exposure At Default.

[3] This is the price that an investor would pay to hedge the counterparty credit risk of a derivative instrument.

[4] Risk-weighted assets (RWA) are used to determine the minimum amount of capital that must be held by a bank to cover different types of risks. CVA RWA relates to the capital requirements to cover for the impact on CVA of adverse movements in financial market risk factors. CVA is the amount subtracted from the mark-to-market value of derivative positions to account for the expected loss due to counterparty default.

[5] Risk-weighted assets (RWA) are used to determine the minimum amount of capital that must be held by a bank to cover different types of risks. Market risk RWA relates to the capital requirements to cover for the impact on mark-to-market value of the trading book of adverse movements in financial market risk factors (such as interest rate, foreign-exchange and equity).

important to clarify that (1) there is no double counting of the ESG layer with the other existing overlays, (2) this is a first-time-application of a concept that will evolve in the future and (3) a part of the exposures that are now covered by the overlay for Vulnerable Exposures (based on the energy-sensitive character), could shift to the ESG layer in the future. The incremental exposure for the ESG layer amounted to EUR 1.6 billion.

In 2023, entering into a post-Covid era, Belfius:

- decided in the course of the first half of 2023 to abandon the long term average of historic data in the calculation of the macroeconomic factors, and only use 2022-2024 macroeconomic data. By the end of 2023, Belfius returned to a full point-in-time and forward looking approach in macroeconomic factor calculation, that is based only on 2023-2025 macroeconomic data;
- maintains the system of four probability weighted forward-looking scenarios each with their own macroeconomic parameters to build optimistic, neutral, pessimistic and stress cases. Yet, the scenarios have been adapted to the updated macroeconomic environment.

In 2023, the application of the above-mentioned provisioning logic resulted in the CoR on consolidated level amounting to EUR -109 million and being composed of EUR +36 million reversals due to the update of the macroeconomic factors and perspectives, EUR +5 million reversals following the reassessment of the overlay for vulnerable exposures, EUR -118 million specific provisions for loans in default and EUR -32 million allowances for portfolio evolutions.

The specific provisions for loans in default (stage 3) negatively impacted the CoR for EUR -118 million in 2023, which is close to the annual natural level for the Belfius portfolio. The stage 3 provisions for exposures in default have increased, and the related CoR Stage 3 was higher than the one of 2022 (EUR -60 million for 2022), stemming from exposures entering into default status in SME (in sectors real estate, construction, retail trade & hotel/catering) and Corporate (in sectors manufacturing, real estate and construction) segments.

Belfius has updated the macroeconomic parameters and perspectives for IFRS 9 expected credit loss calculations in line with the Belfius Research department expectations. Compared to the data used in 2022, the GDP growth expectations for 2023 were revised upwards for Belgium (1.5%), and the US (2.4%). For 2024, the GDP growth expectations have been revised slightly downwards (from 1.6% to 1.2%) for Belgium, the Eurozone (from 1.5% to 0.9%) and the United States (from 1.2% to 1.1%).

The recovery of the growth has shifted to 2025. The sharp slowdown of inflation, that initially was expected for 2023, was spread out over 2023 and 2024, to reach an expected level of 2.1% in 2025. The unemployment data were not materially adjusted compared to the data used in 2022; the unemployment figure still includes the exceptional temporary unemployment that is expected to be, to a certain extent, converted into a structural unemployment.

The neutral case is completed with an optimistic, a pessimistic and a stress scenario:

- The scenario weights have been changed by shifting more weight to the neutral scenario (from 45% to 55%), simultaneously reducing the weight associated with pessimistic (from 40% to 35%) and stress (from 10% to 5%) scenarios.
- The update of the macroeconomic factors and reinforced forward-looking character of the ECL calculations have induced a reversal of EUR +36 million provisions in 2023.

The assessment of the overlay for vulnerable exposures was based on a thorough credit review and portfolio screening integrating the emerging risks related to energy and inflation. The impact of the geopolitical tensions and of the spiking inflation on the loan portfolios (both Individuals and Enterprises & Entrepreneurs) was assessed through an analysis of transactional and financial client data, combined with the monitoring of specific early warning indicators (energy and labour cost to income, evolution of net available income) and with more traditional early warnings (such as rating evolutions, the use of credit lines, repayment arrears, etc.). These analyses, performed in a top-down and bottom-up approach, have not yet revealed critical risk observations in the Belfius

portfolio so far: the portfolio continues to show a strong resilience with only very few signs of deteriorating credit quality, limited inflow of defaults and bankruptcies and stable credit ratings.

These assessments are combined with a strengthened and continuous risk-based monitoring of the Enterprises & Entrepreneurs portfolio on clients for which early warning risk indicators 'lighten-up'.

In order to assure an adequate portfolio guidance and monitoring, several business lines need to comply with portfolio guidelines of which the aim is to limit specific sector risks and/or sector risk concentrations. These guidelines impose an upper limit for certain sector risks, on top of the individual credit quality and limits on the counterparty and/or risk group level, and are monitored quarterly by risk management and reported to the management bodies.

This portfolio guidance is part of the Risk Appetite Framework ("**RAF**"), which is subject to a yearly review assessment. This yearly review introduced a number of additional credit risk-related KRIs for a closer portfolio monitoring but did not lead to any increase of risk appetite for credit risk.

For the mortgage portfolio, the negative impact of rising energy costs and inflation remained rather limited in 2023, mainly due to government energy subsidies as well as (partial) automatic wage indexations. A limited number of clients requested deferrals on capital payments in the context of the 2022 Febelfin initiative which ended in March of 2023. The volume of forborne mortgages decreased from EUR 419 million in 2022 to EUR 346 million in 2023 as a result of a large outflow of Covid-19 loans, more than compensating for the inflow related to higher energy costs.

Despite challenges posed by the current macroeconomic environment, the portfolio of mortgages performed well in 2023. Both the PD level and the NPL ratio of this portfolio remained stable at around 0.5% and 0.3%, respectively. The share of newly originated fixed-rate interest rate mortgages remained high at 99%, reducing the impact of rising interest rates on the performance of these loans.

Similarly to mortgages, consumer loans experienced a slowdown in production growth in 2023 compared to the previous year. The Full Exposure At Default ("**FEAD**") amounted to EUR 5.7 billion at the end of 2023, an increase of 3.7% compared to 2022. The average PD decreased from 0.8% in 2022 to 0.7% in 2023. However, the NPL ratio slightly worsened, rising from 2.3% at the end of 2022 to 3.0% a year later. The opposite movement of these two risk indicators can be attributed to a single large file that transitioned from performing to non-performing loan.

Belfius remains vigilant in monitoring the performance of loans granted to individuals but the slowdown in inflationary pressures and potential monetary easing could boost production and improve the quality of these two portfolios.

This mixed view is visible in the overall portfolio monitoring of Belfius' E&E loan portfolio, amounting to EUR 62.2 billion at the end of 2023:

- overall credit quality in the E&E segment was stable (average PD of 1.64% at the end of 2023 compared to 1.58% at the end of 2022) but with increasing watchlist volumes and, in the SME segment, also rising PD and NPL levels;
- production, especially in Corporate Banking, continued to be very dynamic with high credit quality driven by good rated large tickets while increasing concentration to some extent;
- the credit quality of the Commercial Real Estate portfolio showed a stable pattern but with attention points in the development sector and on smaller, less diversified, projects;
- bankruptcies are gradually returning to pre-Covid levels[6] but with regional and sectoral differences with a more pronounced growth in the sectors construction, transportation, and hospitality and catering industry.

[6] Source: comparison of number of 2019 bankruptcies against 2023 bankruptcies published by Statbel.

Taking into account the uncertainty about the construction and commercial real estate outlook, a fundamental reassessment of these sectors was performed in 2023, both from a concentration point of view and from an overall risk perspective. The deep dive analysis confirmed the fundamental credit quality of the portfolio but additional guidance have been given to cover for the increasing risk profile of smaller projects and individual concentrations.

The EU Green Deal has started to create full awareness of ESG in all economic activities. E&E clients are accompanied by Belfius, among others through the Corporate Ambition programme, to implement a sustainable transition. In addition, the integration of ESG aspects in the credit granting process is accelerating, capitalising on the building blocks that have been implemented earlier.

Belfius' loan portfolio for the Public & Social sectors amounted to a FEAD of EUR 36.1 billion at the end of 2023, contributing to the diversification of the Belfius' global loan portfolio. Overall, the public and social sector kept showing high credit standards and maintained its historically low risk profile, characterised by an average PD of 0.17% and a NPL-ratio of 0.03% at the end of 2023. However, this sector continues to face a number of challenges, including high inflation pushing upwards general expenditures and interest payments.

Belgian cities and municipalities had to deal with inflation peaking at 12.3% in October 2022. Although this figure has dropped drastically since then, to 1.35% last December 2023, its effects have been felt strongly. Three factors were of particular concern. Firstly, general expenditure and interest payments rose sharply. Secondly, wages increased due to indexation, which is connected to inflation. And thirdly, energy bills more than doubled while the cost of building materials rose as well, putting pressure on public investments. A positive point can be found in the unexpected rise of municipal revenues due to the fact that some municipal income sources (taxes, funds, allowances) are also subject to indexation mechanisms.

All in all, these developments have potential impacts on the financial stability of municipalities. In spite of budgets generally being balanced, financial reserves have steadily decreased since 2020. Rising public debt levels will therefore hamper the ability of (local) authorities to react effectively in case of economic shocks, as was the case, for instance, during the Covid-19 pandemic. Regarding the performance of the Belgian Regions and Communities, the situation remains challenging as well, prompting Belfius to lower the outlook for some of these entities.

In addition, some necessary long-term expenditures will limit the space for budgetary manoeuvring for the public sector. Geopolitical risks may require higher investments in national security, and high energy costs have impaired the economic competitiveness of Europe since the start of the Russian invasion of Ukraine. Large investments are required with regard to infrastructure (rail, roads, etc.), the energy transition and climate adaptation. Moreover, the Belgian Federal Planning Bureau forecasts the costs of the ageing population to outpace economic growth until 2050, when social expenditure is expected to peak at 30.1% of Belgian GDP. Furthermore, the lack of clarity regarding the fiscal reform will persist until at least the federal elections of June 2024.

Consequently, the NBB warns that the current federal budget might not be sustainable for the future, as it will push the deficit above 5% in 2026, while national debt would be around 110% of GDP in that same year. On a positive note, economic growth levels will remain healthy, amounting to 1.5% for 2023. The labour market continues to be robust, albeit tight.

The ALM Liquidity portfolio, consisting of LCR eligible bonds, has increased by EUR 0.7 billion over the year 2023, from EUR 7.3 billion in 2022 to EUR 8.0 billion in 2023. The majority of the new investments were done in covered bonds with a good diversification over different countries. The average rating of the portfolio increased from A- to A, with 100% of positions being of investment grade nature. Although the credit risk remains acceptable, there is still an important concentration of Italian sovereign bonds in this portfolio.

The run-off portfolios, consisting of the Yield bond portfolio, the credit derivatives portfolio and other legacy derivatives portfolio have remained fairly stable over the year 2023, with only a slight decrease from EUR 8.0 billion in 2022 to EUR 7.9 billion in 2023. The average ratings of the different subportfolios also remained stable at respectively A-, A- and BBB+. Even though there is some pressure on the credit quality of these portfolios, 94% to 97% of the positions were still of investment grade nature in 2023. The most important concentrations within

these portfolios were UK inflation linked utilities, mainly water and gas, and UK Healthcare bonds. Initially, the UK real rate[7] continued its rise in 2023, but the trend reversed in the last quarter of 2023. As such, the increase over 2023 was rather limited. Hence Belfius' concentration (which partially depends on UK real rate) on the UK utility and healthcare sectors remained relatively stable. About 75% of these positions benefit from a lifetime guarantee from an investment grade rated credit insurer.

The current tariff agreements continue to put pressure on the credit metrics of some UK water and gas utilities. The sustained high inflationary conditions in the UK are adding to this pressure. By the end of the second quarter of 2023, one of the primary UK water companies came under severe pressure. A new regulatory price framework will come into force in 2025 and will be pivotal for the future evolution of this sector. Combining huge investment needs to improve performance, attract sufficient new equity to improve resilience and at the same time keeping a strong focus on client affordability will be an extremely difficult challenge.

In 2023, the pressure on the UK healthcare sector continued. The difficult relationships between the involved parties in healthcare projects as a result of not respecting project agreements has resulted in an important credit deterioration for some of these counterparties.

Belfius continues to closely monitor the situation and future developments within these pressured sectors. There were no assets in stage 3 and the provisions for stage 2 assets within these portfolios amounted to EUR 140 million at the end of 2023.

Despite the permanent trading derogation from the NBB allowing to keep the remaining credit default swaps in trading, Belfius continued actively seeking to unwind or derisk these positions. This has been Belfius' main derisking focus in 2023 and will continue to be so in 2024. In 2024, a restructure took place on two of Belfius' positions, to review the transaction and reduce the remaining risks.

The rating agencies view the group's credit quality positively, as reflected by the rating actions taken between 1 January 2023 and 29 February 2024:

- on 28 June 2023, S&P confirmed Belfius Bank's long-term rating at A with stable outlook;
- on 7 July 2023, Moody's affirmed Belfius Bank's long-term rating at A1 and changed the outlook to positive from stable;
- on 13 July 2023, Fitch affirmed Belfius Bank's long-term rating at A- with stable outlook.
- on 27 December 2023, Moody's affirmed Belfius Bank's long-term rating at A1 with positive outlook;
- on 28 December 2023, S&P confirmed Belfius Bank's long-term rating at A with stable outlook.

#### 2.1.1.3 Profitability (Global Criticality: High)

Belfius Bank's strategy is based on the development of a strong commercial franchise that is to be supported by solid risk and financial profile foundations, a strategy even more relevant since the Covid-19 crisis and the ongoing macro and geopolitical crisis. This translates into growing commercial activities, further growing their footprints in a through-the-cycle profitable way and investments in future business model developments, based on solid solvency foundations. Resilience is proven at the end of December 2023 with a return on equity ("**RoE**")[8] at group level amounting to 10.1% (compared to 8.9% at the end of 2022). Nevertheless, the unstable environment in which Belfius evolves leads to a high criticality from a risk point of view.

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

[8] RoE calculation method: sum of the net result of the last four quarters divided by the four quarter rolling average of the shareholders' equity.

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

The high interest rate environment led to further model refinements and hedging strategy adjustments. In this environment, Belfius' strategy to mitigate rising interest rates, well anticipated already since early 2022, was further enhanced in 2023 to preserve its equity's economic value. This was achieved by shortening the duration of non-maturing deposits and rolling-out its hedging strategy covering substantial long-term payer swaps execution or hedging the LCR bonds. Also, in anticipation of a downward interest rate trend, Belfius' Risk Management is proactively challenging Belfius' strategy aiming to maintain both the economic value and the enduring profitability of its operations.

Furthermore, Belfius was the first (large) bank to increase its savings account tariff in 2023 and has continued to do so. Changes in customer preferences (for fixed-term liabilities) and the impact of the State bond have again highlighted the importance of sound interest rate risk management and scenario thinking in a world where tail risks are becoming the new normal. The IRRBB management and monitoring process was continuously improved during the year through refined and adjusted model assumptions and scenario thinking with continued focus on customer behaviour in order to protect the future development of Belfius' economic value and earnings.

The ALCo will remain attentive to a volatile interest rate environment with primary objective to respect the RAF. IRRBB management continues to protect net interest income ("**NIM**") and ALM conventional models are regularly reviewed at the light of the macro-economic environment and prevailing interest rates.

Besides the general economic and competitive climate, monetary policy is among the most important factors determining bank profitability. By influencing the level of the interest rates and the shape of the interest rate curve, the ECB impacts in an important way the NIM of commercial banks, like Belfius Bank. This NIM contains the bank's revenues from its normal lending and borrowing activity and for Belfius Bank it constitutes a non-negligible part of the overall income.

#### 2.1.1.4 Market risk (Global Criticality: High)

Market risks are inherent to a range of Belfius Bank's businesses. Aside from the interest rate risk, Belfius Bank is particularly sensitive to P&L volatility stemming from value adjustments (xVA's) and credit derivatives. Those are mostly related to the ex-legacy portfolio. 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 (in this context in the trading book), 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 while a high criticality due to volatile future markets is determined.

Despite the challenging economic and geopolitical environment, Belfius Bank's market risks management remained sound. The year 2023 was marked by periods of high volatility due to the default of a major bank, an acute banking crisis, ongoing central bank efforts to combat inflation, and ongoing conflicts in Europe. However, the final quarter of 2023 delivered a welcome Christmas present for investors, with growing excitement that in 2024 central banks would cut interest rates sooner than previously expected, resulting in an "almost everything rally".

Existing hedges on CVA/FVA, in place since the first half of 2020, performed well in 2023, keeping the P&L volatility to a minimum. Further analysis highlighted possible improvement to credit spread macro hedges which was adapted in the second half of 2023. Consequently, only a limited number of non-hedgeable risks remained. The most relevant one being the Belfius' own funding spread, where the positive evolution of interest rates has made the XVA's less sensitive to this parameter.

At the end of December 2023, the global VaR level of Financial Market activities amounted to EUR 9.4 million, a decrease of EUR 16.9 million compared to the end of 2022 and even the maximal (EUR 17.3 million) was limited. The overall average VaR of Financial Markets activities decreased from EUR 13.6 million in 2022 to EUR 11.5 million in 2023. The VaR decrease was spread out over the different quarters, with positions decreasing steadily as trading performance was positive throughout the year.

The market RWA has increased from EUR 1.9 billion at the end of 2022 to EUR 2.3 billion at the end of 2023. The drop in the first quarter of 2023 (following the model correction) was followed by a slow increase in market risk RWA that has taken place over the second and third quarter of 2023 stemming from the small increases in positions.

At the end of 2023, the RWA for market risk under the internal model approach stood at EUR 1.8 billion and at EUR 0.5 billion for the standardised approach.

| VaR[1] (99% 10 days) | 31/12/22 | | | | 31/12/23 | | | |
|---|---|---|---|---|---|---|---|---|
| In EUR million | IR[2] & FX[3] | Equity | Spread | Other risks[4] | IR[2] & FX[3] | Equity | Spread | Other risks[4] |
| By activity | | | | | | | | |
| Average | 7.5 | 4.6 | 1.1 | 0.4 | 6.1 | 3.5 | 1.3 | 0.6 |
| End of Year | 6.3 | 5.8 | 0.8 | 0.4 | 5.3 | 2.8 | 1.0 | 0.3 |
| Maximum | 17.5 | 12.0 | 2.3 | 0.8 | 11.3 | 7.9 | 2.0 | 3.8 |
| Minimum | 3.7 | 2.2 | 0.2 | 0.4 | 3.5 | 2.1 | 0.7 | 0.3 |
| Global | | | | | | | | |
| Average | | 13.6 | | | | 11.5 | | |
| End of Year | | 13.3 | | | | 9.4 | | |
| Maximum | | 25.3 | | | | 17.3 | | |
| Minimum | | 7.8 | | | | 9.0 | | |
| Limit | | 26.3 | | | | 26.3 | | |

*(1) The Value-at-Risk (VAR): is a measure of the potential change in market value with a probability of 99% and over a period of 10 days.*
*(2) IR: interest rate risk and inflation risk.*
*(3) FX: forex risk.*
*(4) CO2 risk.*

### 2.1.1.5 Operational – Non-Financial Risks & Compliance (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 fraud, HR, IT, IT-security, business continuity, outsourcing, data-related, privacy, etc.) as well as reputational, compliance, legal, tax and ESG risks. If any of these risks materialise, this may have an adverse impact on Belfius' business, results of operations, financial condition and prospects, leading to a high criticality.

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 mapping and taxonomy 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; and

- 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.

Focusing on specific domains:

- Information security management: for Belfius, the purpose of information security is to protect Belfius' information having a value for the organisation: i.e., the information generated by the business, the information belonging to the clients, and also the information derived from freely accessible or publicly available data, which has acquired a value as a result of the treatment carried out by or on behalf of Belfius. The threats against data and information are their loss of integrity, their loss of confidentiality and their unplanned unavailability. The mission of information security is to safeguard against these threats.

  Belfius also considers that the objective regarding information security extends to managing the risks linked to the consequences of these threats if they have materialised in terms of customers' trust, finance, reputation, peer confidence (regulators, financial markets) and confidence of the business partners. An information security strategy derived from these principles is applicable to all actions pertaining to information security.

  In order to guarantee the information security within Belfius, the Information Security Steering (ISS) Committee, managed by the Chief Information Security Officer (CISO) and chaired by the Chief Risk Officer, aims to ensure a well governed and coordinated information security strategy whereby an adequate system of "prevention", "detection", "protection" and "reaction" is put in place, in line with regulatory requirements for information security. The steering of Belfius' information security is relying on a combination of qualitative statements, tangible figures and quantitative statements: deviations from the risk appetite are challenged to mitigate the risks to an acceptable level. Large security projects are grouped together in a security roadmap which typically spans the course of two years. The ever-evolving security threat landscape however requires the organisation to be resilient and anticipate existing and future threats.

- Incident management: this relates to threats against data and information and their loss of integrity, their loss of confidentiality and their unplanned unavailability. 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 aim to 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 and incidents in relation to execution, delivery, and process management. Other categories remain limited in amount but not necessarily in number of events. The most important part of the financial impact resulting from operational incidents comes from Belfius Bank's retail business.

- Data privacy management: 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 respect of GDPR.

  In order to continuously guarantee data privacy within Belfius, the Privacy Committee related to GDPR regularly meets. Belfius' Management and several committees are informed about GDPR on a recurrent basis at Belfius.

  Staff needs to regularly update their GDPR knowledge and are also regularly informed on GDPR-news.

  The Data Privacy Officer ("**DPO**") is part of the second 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 integrated into every process to offer (existing, adapted and new) products, innovative digital tools, services, and information sharing to its clients.

This also included and includes the review of the privacy notice, the implementation of an adapted cookie policy and the implementation of the ruling of the European Court of Justice on eventual international transfers or international access of personal data.

All activities treating personal data are documented by the business lines in a privacy register and Belfius is very committed to avoid personal data breaches and to manage any incident as quickly as possible.

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

- Fraud risk: 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 Line of Defence role.

  In a context of evolving digital channels and faster payments processing, internal controls are continuously screened to prevent fraud and this to protect the interests of Belfius and its employees, customers, suppliers and other stakeholders. More traditional phishing techniques and cyber fraud cases need continuous investments to protect clients against potential impacts from these fraud schemes.

  Moreover, an anti-fraud expert panel is regularly organised to enhance the transversal circulation of information and to ensure that the Anti-Fraud Steering Committee (A-FSC) receives the information necessary for defining and monitoring the anti-fraud risk management.

- Outsourcing risk: Belfius is aware that outsourcing & third-party risk must be addressed adequately and fully assumes its responsibilities, including but not limited to overseeing and managing the concerned arrangements and the risks involved. The Outsourcing Risk & Material Arrangements Policy is compliant with the "Final Report on EBA Draft Guidelines on Outsourcing Arrangements". In particular, the policy provides for the appointment of the outsourcing function and the setup of the Outsourcing Management (steering) Committee (OMC). Its mission consists in ensuring a well governed and coordinated outsourcing strategy in line with Belfius' strategy, risk appetite and regulatory requirements.

- Business continuity & crisis management: Belfius is committed to its clients, counterparties and regulators to put in place, maintain and test viable alternative arrangements that, following an incident, allow the continuation or the resumption of critical business activities at the agreed operational level and entirely compliant with the Belgian regulations.

  The supporting process, the business continuity and crisis management, 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. In that way, Belfius has also demonstrated its resilience to the Covid-19 situation.

- Employment practices (HR) & workplace safety, damage to assets & public safety risk: Belfius has a very low appetite for physical security and workplace safety risk 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. To meet this goal, a Physical Security Steering Committee with all stakeholders systematically monitors the overall situation by means of a dashboard. It also acts as a forum to reflect and to dialogue on actual incidents, and to envisage action plans to reduce the risk to acceptable levels.

- Compliance & anti-money laundering ("**AML**"): compliance risk is managed around a central compliance department. In Belfius, the Compliance Officer reports directly to the CRO and to the Audit Committee and, if necessary, may directly approach the Chairman of the Board of Directors, the external auditor and the regulators. Belfius Bank has a very low risk appetite for compliance risk. This is important to maintain a good reputation, to maintain the confidence of all stakeholders and to avoid administrative or criminal sanctions. Throughout the years, key compliance risks remain financial crime, consumer protection and regulatory scrutiny. Similarly to NFR, the compliance framework has been strengthened to successfully manage the risk in line with the bank's low risk appetite. In particular, a market abuse detection tool has been rolled out in 2023. The compliance department has been a pioneer in introducing AI for transaction monitoring to manage the AML risk. It will leverage on the acquired expertise to expand AI to cover other key compliance risks in the future via a dedicated roadmap. The Anti-Money Laundering Compliance Officer ("**AML CO**") is head of the AML team, which combats money laundering practices. Belfius strives not to be involved in laundering money from illegal activities, the organisation of tax fraud, financing terrorism or circumventing international embargos in line with all legal requirements. To underline this commitment, the AML CO has established preventive measures and broadened controls. Proper knowledge of the customers and their identification (Know Your Customer process), investigation on the origin of financial flows on accounts and detection of dubious transactions (Know Your Transaction process) are all vital elements in the prevention of such practices.

#### 2.1.1.6 Liquidity (Global Criticality: High)

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. Based on prudential liquidity ratios and a diversified source of fundings, Belfius assesses this risk as high.

The liquidity risk at Belfius Bank 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 Bank can collect funding on the repo market and/or from the ECB.
- the capacity to obtain interbank and institutional funding.;
- the concentration risk of funding sources, counterparties and maturities.

The monitoring of the liquidity risk 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. Next to the Internal Liquidity Ratio (working on a three-month horizon), the short and long-term liquidity risks are managed, respectively, by means of the regulatory LCR – one-month horizon and the Net Stable Funding Ratio ("**NSFR**" – one year).

During 2023, Belfius preserved its diversified liquidity profile by:

- maintaining a substantial funding surplus within the commercial balance sheet;
- continuing to obtain diversified long-term funding from institutional investors;
- collecting short and medium-term (CP/CD/EMTN) deposits from institutional investors.

Belfius Bank reached a 12-month average LCR of 138% at the end of December 2023. This decrease since the end of December 2022 (173%) is mainly explained by the maturing of the TLTRO funding (total repayment of EUR

4.6 billion in 2023, with the remaining EUR 1.4 billion about to mature in 2024), outflows induced by the 2023 1-year Belgian State bond issuance (roughly EUR 3.5 billion including EUR 3 billion from savings account and EUR 500 million from payment accounts) as well as continued strong growth in commercial loans. Short-term (EUR 5.9 billion in 2023) and long-term (around EUR 4 billion in 2023) financing issuances played a crucial role in reinforcing Belfius Bank's LCR, ensuring that it remained above the internal target of 120% through the year. The High Quality Liquid Assets (HQLA) were composed at the end of December 2023 of 69% Level 1 cash, 27% Level 1 bonds, 3% Level 2A bonds and 0.6% Level 2B bonds. It has to be noted that, during 2023, Belfius demonstrated its ability to manage significant outflows (ca. EUR 3.5 billion) related to the successful State bond issue thanks to the sufficient total liquidity buffer of EUR 45 billion at the start of the outflows and the swift actions taken to ensure that the LCR stayed above Belfius' internal target of 120%.

The NSFR, based on the binding rules of the Capital Requirements Regulation ("**CRR**")[9] and calculated according to EBA templates, stood at 128% at the end of December 2023, a decrease from 135% in 2022, also explained by the repayment of the TLTRO, liquidity outflows and growth in commercial loans.

In terms of risk management, Belfius relies on a close monitoring of a set of regulatory and internal liquidity risk metrics as part of its RAF defined with the following main objective: "Belfius wants to maintain at all times sufficient liquidity even after severe but plausible stress". The risk appetite framework imposes an additional buffer on top of the regulatory minima to be respected at all times. This buffer, combined with a set of predefined recovery measures, aims to ensure that Belfius will respect regulatory minima even under stress. Another control of the second line of defence includes the early warning system that proactively warns for potential liquidity crisis. By means of a detailed Liquidity Risk Dashboard, internal KRI's are continuously monitored and include, among others, maturity concentration of funding, intraday liquidity risks, credit lines and liquidity buffer under stress. Belfius also relies on forward-looking assessment as part of its financial plan and stress testing activities to account for concentration risks, clients' behaviour prospective challenges to address potential future non-maturing deposits' outflows or simulation of bank runs. That way, Belfius ensures to have a sufficient liquidity buffer while accounting for materialisation of some tail risks. The Belfius Bank liquidity risk management framework ensures that risk assessments, reporting's and proper follow-up's are performed to ensure that its liquidity buffer is sufficient to cover extreme stress scenarios based on a large set of assumptions on the levels of inflows, outflows, risk source and at different time horizons (ranging from intraday to complete stress on the funding plans), while respecting the limits defined in the RAF. 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 aims to ensure 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. Given its solid liquidity position, Belfius' funding plan is more than ever driven by minimum requirement for own funds and eligible liabilities ("**MREL**") requirements rather than by an expected liquidity shortfall. In 2023, in line with its strategic goals of business growth and compliance with regulatory requirements, Belfius Bank issued EUR 0.5 billion covered bonds, EUR 0.5 billion Tier 2 and EUR 0.75 billion preferred senior under green format. The Non-Preferred Senior Bonds of EUR 2.0 billion enable Belfius to respect the subordinated MREL regulatory requirement.

#### 2.1.1.7 Competition (Global Criticality: Medium)

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 Bank being solely limited to Belgium can be assessed as a competitive disadvantage compared to its competitors. While Belfius Bank believes it is positioned to compete effectively with these competitors, there can be no assurance that

[9] Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended.

increased competition will not adversely affect Belfius Bank's pricing policy and lead to losing market shares in one or more markets in which it operates. The related risk is judged as medium.

Competition is also affected by other factors such as changes in consumer demand and regulatory actions. Moreover, competition can increase as a result of internet and mobile technologies changing customer behaviours, the rise of mobile banking and the threat of banking business being developed by non-financial companies, all of which may reduce the profits of Belfius Bank.

The introduction of the Payment Services Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market may enable the emergence of payment aggregators, which could in turn reduce the relevance of traditional bank platforms and weaken brand relationships. The development of ecosystems – which lead to the abolition of borders across economic sectors – could further exacerbate these threats.

Any failure by Belfius Bank to manage the competitive dynamics to which it is exposed could have a material adverse effect on its business, financial condition, results of operations, and prospects. Nevertheless, Belfius Bank remains confident about its business model targeting the Belgian perimeter, its pro-active and deep work around new technologies and innovative partnerships and its evolution towards a modern banking platform.

In order to stay ahead of this risk, Belfius Bank relies at several levels on benchmarking assessments (CoR, RWA, commercial real estate activities, macro-assumptions in (reverse) stress test exercises, results of transversal EBA benchmarking assessment, etc.).

## *2.2. Risks related to Belfius Financing Company*

**(with regards to the risks related to Belfius Financing Company as individual entity, Global Criticality: low)**

Belfius Financing Company is a fully owned subsidiary of Belfius Bank whose principal purpose is to raise funds to be on-lent to Belfius Bank. This means that the capacity of Belfius Financing Company to pay interest amounts under the Notes issued by it and to repay the Notes issued by it, depends mainly on Belfius Bank. In other words, the risk is transferred to Belfius Bank being the Guarantor in this context, taking into account that any Notes issued by Belfius Financing Company under the Programme are guaranteed by Belfius Bank pursuant to the Guarantee. For any Notes issued by Belfius Financing Company, Noteholders should therefore also take note of the risk factors in respect of Belfius Bank. It implies that, if the Guarantor's financial condition was to deteriorate, Belfius Financing Company as the Issuer and, subsequently, the Noteholders may be impacted negatively. The Noteholders may lose all or part of their investment in the Notes in case Belfius Financing Company as the Issuer and/or Belfius Bank as the Guarantor become insolvent or are otherwise unable to satisfy their obligations under the Notes and the Guarantee, respectively.

## *2.3. Risks related to the Notes and the Guarantee*

### *2.3.1. Risks related to the nature of the Notes*

#### 2.3.1.1. Risks related to the trading market and 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. This is the case for Notes that are particularly sensitive to interest rate, exchange rates or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and a higher price volatility than conventional debt securities. The liquidity of the Notes may also be affected by a downgrade of the credit ratings of Belfius Bank. A decrease in liquidity may have an adverse effect on the market value of the Notes. In addition, where a Noteholder is seeking to achieve a sale of the Notes within a short timeframe, such lower liquidity will negatively impact the selling price of the Notes.

**2.3.1.2. Risks related to the exercise of the bail-in resolution tool in respect of the Belfius Bank Notes and the Guarantee**

The Banking Recovery and Resolution Directive ("**BRRD**")[10] 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 minimise 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 exercise by the Relevant Resolution Authority of the "bail-in" resolution tool. This tool may be exercised in respect of Belfius Bank Notes. The designation of a tranche of Notes as Notes which have a particular use of proceeds identified in the applicable Final Terms does not confer any change in status, ranking or favourable treatment relative to the application of resolution tools. Furthermore, under the Guarantee Belfius Bank as the Guarantor guarantees the obligations owed by Belfius Financing Company to the holders of Belfius Financing Company Notes. The bail-in tool can also be applied to a guarantee obligation such as the Guarantee. As a result, the bail-in tool, if applied to liabilities of the Guarantor, could effectively limit the extent of a recovery under the Guarantee.

The "bail-in" resolution tool is exercised by the Relevant Resolution Authority that has the power to bail-in (i.e., write down or convert) liabilities more subordinated than the Belfius Bank Notes, if any (such as the claims of non-preferred creditors of Belfius Bank) and preferred senior debt (such as the Belfius Bank Notes and the Guarantee), after having written down or converted Tier 1 capital instruments and Tier 2 capital instruments. The bail-in power enables the Relevant Resolution Authority to recapitalise a failing institution by allocating losses to its shareholders and unsecured creditors (including the holders of Belfius Bank Notes or in relation to the Guarantee) in a manner which is consistent with the hierarchy of claims in an insolvency of a relevant financial institution. The bail-in power includes the power to cancel a liability or modify the terms of contracts for the purposes of deferring the liabilities of the relevant financial institution and the power to convert a liability from one form to another.

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

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

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

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

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

  (iv) Belfius Bank requests extraordinary public financial support;

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

[10] 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 and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, as amended.

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

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

The exercise by the Relevant Resolution Authority of its resolution powers (including the statutory loss absorption powers) in relation to the Belfius Bank Notes or the Guarantee, or the (perceived) prospect of such exercise, could have a material adverse effect on the value of such Belfius Bank Notes or the Belfius Financing Company Notes related to the Guarantee and could lead to the holders of such Notes losing some or all of their investment in their Notes.

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 Belfius Bank Notes and the Guarantee will no longer rank *pari passu* with any deposits of Belfius Bank. Instead, the Belfius Bank Notes and the Guarantee 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.

#### 2.3.1.3. Ranking of the Notes and insolvency

In the event of an insolvency of an Issuer or the Guarantor, applicable insolvency laws may adversely affect a recovery by the holders of amounts payable under the Notes and the Guarantee. Pursuant to such insolvency laws, secured creditors of the relevant Issuer and the Guarantor will be paid out of the proceeds of the security they hold in priority to the holders of the Notes. In the event of an insolvency of a subsidiary of Belfius Bank, it is likely that, in accordance with applicable insolvency laws, the creditors of such subsidiary need to be repaid in full prior to any distribution being made to Belfius Bank as shareholder of such subsidiary. In addition, any provision in the Terms and Conditions providing for an event of default, an acceleration or an early termination of the Notes by reason of an Issuer or the Guarantor being subject to judicial reorganisation proceedings may not be enforceable under applicable insolvency law.

#### 2.3.1.4. Risks related to non-capital-guaranteed Notes

Some Notes are not capital-guaranteed, meaning that the invested principal may not be repaid in full upon early redemption or at maturity, as the case may be. This means that Noteholders of a non-capital guaranteed Note could lose all or a substantial portion of the invested principal and, if such principal is lost completely, interest may cease to be payable on such Note.

#### 2.3.1.5. A Noteholder's return on the Notes may be affected by inflation

The real return which an investor will receive on its Notes may be affected by inflation. Inflation risk is the risk that the future real value of an investment will be reduced by inflation over time, which could be caused by an increase in prices or a decrease in the value of money. Where inflation is high, as is the case in the current economic climate, it is possible that the real return which an investor will receive on its Notes will be reduced or will even be negative.

#### 2.3.1.6. The market value of an issue of Notes can be affected by various factors

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.

#### 2.3.1.7. A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

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

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any other costs (such as custody fees). Investors should inform themselves about any additional costs which they may incur in connection with the purchase, custody or sale of the Notes before investing in the Notes.

#### 2.3.1.8. 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 relevant Issuer (Call Option). If a Call Option is provided to be applicable in the relevant Final Terms, the relevant Issuer may redeem all or, if so provided, some of the Notes on the date or dates so provided. The relevant Issuer may be expected to redeem Notes among others when its cost of borrowing is lower than the interest rate on the Notes. In this respect, please also refer to the risk factor entitled "*Risks related to early redemption of the Notes*".

#### 2.3.1.9. 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, Luxembourg, other jurisdictions (such as FATCA under US law) or on a supranational level (e.g. the EU Financial Transaction Tax) or in the administrative practice after the date of issue of the Notes. 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.

In addition, any relevant tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Notes may change at any time (including during any subscription period or the term of the Notes). Any such change may have an adverse effect on a Noteholder, including that the Notes may be redeemed before their due date, their liquidity may decrease and/or the tax treatment of amounts payable or receivable by or to an affected Noteholder may be less than otherwise expected by such Noteholder.

### *2.3.2. Risks related to the terms of the Notes*

#### 2.3.2.1. Risks related to Underlyings

Investors should note that Notes which are linked to an Underlying encompass both risks relating to the relevant Underlying and risks that are linked to the Note itself.

Such risks relating to the Underlying may be linked, depending on the characteristics of the relevant Notes, to the occurrence of a Potential Adjustment Event, an Extraordinary Event, a Market Disruption Event, a Commodity Index Event or an Event affecting the relevant Index, in which case the Calculation Agent may make adjustments or determinations as it, acting in good faith, deems appropriate, all as more fully described in the Terms and Conditions of the Notes.

#### 2.3.2.2. There is no limitation on the entry into, issuing or guaranteeing of debt ranking *pari passu* with the Notes, which may be required because of regulatory requirements, and any future debt may be on better terms than the Notes

There is no restriction in the Terms and Conditions of the Notes on the amount of debt which the Issuers and the Guarantor may enter into, issue or guarantee. The Issuers and the Guarantor may incur additional indebtedness or grant guarantees in respect of indebtedness or guarantees of third parties, including indebtedness and guarantees that rank *pari passu* with the Notes, which may have better terms than the Notes (e.g. in relation to events of default and covenants). The entry into or issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders in case of default or insolvency. If the relevant Issuer's or the Guarantor's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including reduction of interest and principal and, if the relevant Issuer or the Guarantor were to be liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

The incurrence of additional indebtedness may be required based on regulatory requirements. In order to make the bail-in power under the BRRD effective, credit institutions (including Belfius Bank) must at all times meet a MREL so that there is sufficient capital and liabilities available to stabilise and recapitalise failing credit institutions.

#### 2.3.2.3. The Terms and Conditions of the Notes do not contain covenants

The Terms and Conditions of the Notes place no restrictions on the amount of debt that the Issuers and the Guarantor may issue. The issue of any such debt or securities may impact the amount recoverable by Noteholders upon liquidation or resolution of the relevant Issuer or the Guarantor. In this respect, please also refer to the risk factor entitled "*There is no limitation on the entry into, issuing or guaranteeing of debt ranking pari passu with the Notes, which may be required because of regulatory requirements, and any future debt may be on better terms than the Notes*".

In addition, the Notes do not require the Issuers or the Guarantor to comply with financial ratios or otherwise limit their ability or that of their respective subsidiaries to incur additional debt, nor do they limit the Issuers' or the Guarantor's ability to use cash to make investments or acquisitions, or the ability of the Issuers, the Guarantor or their respective subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuers' and the Guarantor's ability to service their respective debt obligations, including those of the Notes and the Guarantee.

#### 2.3.2.4. No tax gross-up obligation

Investors should be aware that pursuant to the Terms and Conditions of the Notes there are no gross-up payments in respect of the Notes. This means that the Terms and Conditions of the Notes do not require the Issuers or the Guarantor to gross up the net payments received by a Noteholder in relation to the Notes with the amounts withheld or deducted for tax purposes. This may therefore have a significant impact on the net amounts the investors will

receive pursuant to the payments to be made under the Notes and could also materially adversely affect the value of such Notes.

#### 2.3.2.5. Risks related to Notes which are linked to "benchmarks"; benchmark discontinuation

*The regulation and reform of Benchmarks may adversely affect the value and liquidity of and return on certain Notes*

Reference Rates and indices, including interest rate benchmarks, such as the Euro Interbank Offered Rate ("**EURIBOR**"), which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**") have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

In particular, with respect to EURIBOR, the European Money Markets Institute ("**EMMI**"), as administrator, conducted in-depth reforms over the last few years to meet the requirements of the EU Benchmark Regulation, strengthening its governance framework and developing a hybrid methodology for EURIBOR. On 2 July 2019, EMMI was granted an authorisation by the FSMA under the EU Benchmark Regulation for the administration of EURIBOR. Other Benchmarks used in relation to the Notes may, as of the date of this Base Prospectus, not (yet) be authorised in the European Union or meet the requirements of the EU Benchmark Regulation. The European Commission has therefore put in place, and has extended, transition periods. However, without valid authorisation after the end of such transition periods, the Issuers will have to refrain to use such unauthorised Benchmarks in relation to the Notes. There can be no guarantee that Benchmarks will not be discontinued to be used in respect of the Notes. Whether or not a Benchmark administrator has the required authorisations in the European Union will be indicated in the relevant Final Terms under "Relevant Benchmark(s)".

Any changes to the administration of a Benchmark or the emergence of alternatives to a Benchmark as a result of these reforms, may cause such Benchmark to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of a Benchmark or changes to its administration could require changes to the way in which the rate of interest is calculated in respect of any Notes referencing or linked to such Benchmark. Uncertainty as to the nature of alternative reference rates and as to potential changes to a Benchmark may adversely affect such Benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same Benchmark. The development of alternatives to a Benchmark may result in Notes linked to or referencing such Benchmark performing differently than would otherwise have been the case if such alternatives to such Benchmark had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes referencing or linked to a Benchmark.

Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of successor or alternative reference rates and as to potential changes to a Benchmark may adversely affect Notes which reference such Benchmark, including the return on the relevant Notes and the trading market for them. In particular, with respect to EURIBOR, the European Money Markets Institute, as administrator of EURIBOR, having failed with an attempt to evolve the EURIBOR methodology to a fully transaction-based methodology, has developed a hybrid methodology for the determination of EURIBOR that takes into account current transaction data, historical transaction data and modelled data based on expert opinions and has obtained regulatory authorisation under the Benchmark Regulation for the EURIBOR so calculated. However, since reference rates relying on expert opinion and modelled data are widely regarded as potentially less representative than reference rates determined in a fully transaction-based approach and because central banks, supervisory authorities, expert groups and relevant markets thus are developing towards preferred use of risk-free overnight interest rates with a broad and active underlying market as reference rates, there is a risk that the use or provision of EURIBOR may come to an end in the medium or long term. Finally, under the terms of the Benchmark Regulation, the European Commission was also granted

powers to designate a replacement for certain critical benchmarks contained in contracts governed by the laws of an EU Member State (such as the Notes), where that contract does not already contain a suitable fallback. There can be no assurance, that the fallback provisions of the Notes would be considered suitable. Accordingly, there is a risk that any Notes linked to or referencing a benchmark would be transitioned to a replacement Benchmark selected by the European Commission. There is no certainty at this stage what any such replacement benchmark would be.

*The market continues to develop in relation to SONIA as a reference rate for Notes*

Investors should be aware that the market continues to develop in relation to the Sterling Overnight Index Average ("**SONIA**") as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions and used in relation to Notes that reference a SONIA rate issued under this Base Prospectus. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Notes become due and payable under Condition 8.11 (*Events of Default*), the Rate of Interest payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Notes.

*As the use of €STR as a reference rate for Notes develops, there is a risk that Notes that use €STR as reference rate may differ from other €STR products which were legacy IBOR-referenced (which could reduce liquidity, increase volatility or impact market prices) and mismatch with associated loan and derivative products*

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Notes that reference a risk free rate issued under the Programme. The Issuers may in the future also issue Notes referencing the Euro Short-Term Rate ("**€STR**") that differ materially in terms of interest determination when compared with any previous Compounded Daily €STR-referenced Notes issued by it under the Programme. Each of these eventualities could reduce liquidity, increase volatility or otherwise affect the market price of such Notes. The development of Compounded Daily €STR as interest reference rates for the Eurobond markets, as well as continued development of €STR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any €STR-referenced Notes issued under the Programme from time to time.

In addition, the manner of adoption or application of €STR reference rates in the Eurobond markets may differ materially compared with the application and adoption of €STR in other markets, such as the derivatives and loan markets. There could be mismatches between the adoption of €STR reference rates across these markets which may impact any hedging or other financial arrangements which may be put in place in connection with any acquisition, holding or disposal of Notes referencing €STR.

Furthermore, interest on Notes which reference Compounded Daily €STR is only capable of being determined at the end of the relevant Observation Period or Interest Period (as applicable) and immediately prior to the relevant Interest Payment Date. In contrast to, for example, EURIBOR-based Notes, if Notes referencing Compounded Daily €STR become due and payable as a result of an event of default under the Terms and Conditions of the Notes, or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date on which the Notes become due and payable. Therefore, it may be difficult for investors in Notes which reference Compounded Daily €STR to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be

unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes.

Since €STR is a relatively new market index, Notes which reference €STR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to €STR such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if €STR does not prove to be widely used in securities like Notes which reference Compounded Daily €STR, the trading price of such Notes which reference Compounded Daily €STR may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that €STR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes which reference Compounded Daily €STR. If the manner in which Compounded Daily €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes. Accordingly, an investment in Notes using €STR as a reference rate may entail significant risks not associated with similar investments in conventional debt securities.

*As the use of SOFR as a reference rate for Notes develops, there is a risk that Notes that use SOFR as reference rate may differ from other SOFR products, which could reduce liquidity, increase volatility or otherwise affect the market price of such Notes*

The market continues to develop in relation to the Secured Overnight Financing Rate ("**SOFR**") as a reference rate in the capital markets and its adoption as an alternative to LIBOR. The selection of SOFR as the alternative reference rate currently presents certain market concerns, because a term structure for SOFR has not yet developed and there is not yet a generally accepted methodology for adjusting SOFR, which represents an overnight, risk-free rate, so that it will be comparable to LIBOR, which has various tenors and reflects a risk component. The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions of Notes referencing a SOFR rate that are issued pursuant to the Programme. Furthermore, the Issuers may in the future issue Notes referencing SOFR that differ materially in terms of interest determination when compared with any previous SOFR-referenced Notes issued by it under the Programme. Each of these eventualities could reduce liquidity, increase volatility or otherwise affect the market price of such Notes.

The continued development of SOFR-based rates for the U.S. market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SOFR-referenced Notes issued under the Programme from time to time. Because the Secured Overnight Financing Rate is published by the Federal Reserve Bank of New York ("**FRBNY**") based on data received from other sources, the issuing entity has no control over its determination, calculation or publication. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the investors in the Notes linked to SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes and the trading prices of such Notes.

The FRBNY began to publish SOFR in April 2018. The FRBNY has also begun publishing historical indicative SOFR going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR. Also, since SOFR is a relatively new market index, Notes using SOFR as reference rate will likely have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Markets terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Notes may be lower than those of later-issued indexed debt securities as a result. Similarly, if SOFR does not prove to be widely used in securities like the Notes, the trading price of Notes linked to SOFR may be lower than those of Notes linked to indices that are more widely used. Investors in the Notes may not be able to sell such Notes at all or may not be

able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

#### 2.3.2.6. No Noteholder may exercise or claim any right of set-off, netting, compensation or retention in respect of any amount owed to it by the Issuers arising under or in connection with the Notes

Subject to applicable law, no Noteholder may exercise or claim any right of set-off, netting, compensation or retention in respect of any amount owed to it by the Issuers arising under or in connection with the Notes and each Noteholder shall, by virtue of its subscription, purchase or holding of a Note, be deemed to have waived all such rights of set-off, netting, compensation and retention.

#### 2.3.2.7. The Noteholders may be bound by amendments to (the Conditions of) the Notes to which they did not consent, which may result in less favourable terms of the Notes for all or certain Noteholders

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

In addition, pursuant to Condition 8.3.6 (*Benchmark Replacement*), if a Benchmark Event occurs, certain changes may be made to the interest calculation and related provisions when any Interest Rate (or the relevant component part thereof) remains to be determined by reference to such Reference Rate for any Notes, as well as to the Agency Agreement in the circumstances and as otherwise set out in such Condition, without the requirement for the consent of the Noteholders.

Accordingly, there is a risk that the terms of the Notes may be modified, waived or varied in circumstances where a Noteholder does not agree to such modification, waiver or variation, which may adversely impact the rights of such Noteholder. Such decisions may for example relate to a reduction of the amount to be paid by the Issuer upon redemption of the Notes, which would then impact the return an investor may receive on its Notes.

#### 2.3.2.8. Risks related to Fixed and Floating Interest Rates

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

#### 2.3.2.9. Risks related to Notes which qualify as "Green Notes" or "Social Notes" which have a particular use of proceeds identified in the applicable Final Terms

*Notes issued as Green Notes or Social Notes may not meet investor expectations or requirements*

As described in the sections "*Use of Proceeds*" and "*Green Bond Framework*", Belfius has established a green bond framework (as amended and/or supplemented from time to time, the "**Green Bond Framework**") and the Final Terms relating to a specific issue of Notes may provide that Belfius will apply an amount equivalent to the net proceeds of the issue of those Notes to finance and/or refinance, in whole or in part, loans and investments realised by any member of the Belfius group to finance projects and/or assets ("**Eligible Green Assets**"), as described in the applicable Final Terms and in Belfius' Green Bond Framework (such Notes being referred to as "**Green Notes**"). In addition, as described in the sections "*Use of Proceeds*" and "*Social Bond Framework*",

Belfius has established a social bond framework (as amended and/or supplemented from time to time, the "**Social Bond Framework**") and the Final Terms relating to a specific issue of Notes may provide that Belfius will apply an amount equivalent to the net proceeds of the issue of those Notes to finance and/or refinance, in whole or in part, loans and investments realised by any member of the Belfius group to finance projects and/or assets ("**Eligible Social Assets**"), as described in the applicable Final Terms and in Belfius' Social Bond Framework (such Notes being referred to as "**Social Notes**"). Investors should in particular note that Belfius Financing Company's principal purpose is to raise funds to be on-lent to Belfius Bank and that it will not itself have any Eligible Green Assets or Eligible Social Assets.

For the avoidance of doubt, payments of principal and interests on the relevant Green Notes or Social Notes shall not depend on the performance of the relevant projects nor have any preferred right against such assets.

While the applicable Final Terms may indicate that Belfius will apply an amount equivalent to the net proceeds of the Green Notes or Social Notes in, or substantially in, the manner described in the sections "*Use of Proceeds*" and "*Green Bond Framework*" or "*Social Bond Framework*", as applicable, and in the applicable Final Terms, the application may not be capable of being implemented in, or substantially in, such manner and/or in accordance with any timeframe, and it is possible that such amount may not be totally or partially disbursed as planned, for reasons that are outside Belfius' control or which Belfius is not able to anticipate. Nor can there be any assurance that such Green Notes or Social Notes or the activities or projects they finance and/or refinance will have the results or outcome (whether or not related to environmental, sustainability or other objectives) originally expected or anticipated by Belfius.

Notes issued as Green Notes or Social Notes may not be a suitable investment for all investors seeking exposure to green assets or social assets. Any failure to use the net proceeds of any Green Notes or Social Notes in connection with green or sustainable projects or social projects, as applicable, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Notes or Social Notes, may affect the value and/or trading price of the Green Notes or Social Notes, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets or social assets, as applicable.

In connection with each issue of Green Notes under the Programme, Belfius has requested Sustainalytics, a sustainability rating agency, to issue an independent opinion (the "**Green Bond Framework Second Party Opinion**") confirming the sustainability of the Green Bond Framework and alignment of it with the International Capital Market Association ("**ICMA**") Green Bond Principles 2018 (the "**ICMA Green Bond Principles**"). The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market, which may be updated from time to time.

In connection with each issue of Social Notes under the Programme, Belfius has requested Sustainalytics, a sustainability rating agency, to issue an independent opinion (the "**Social Bond Framework Second Party Opinion**" and together with the Green Bond Framework Second Party Opinion, the "**Second Party Opinions**") confirming the sustainability of the Social Bond Framework and alignment of it with the International Capital Market Association ("**ICMA**") Social Bond Principles 2023 (the "**ICMA Social Bond Principles**"). The ICMA Social Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market, which may be updated from time to time.

Each Second Party Opinion is available on the website of Belfius (https://www.belfius.be/about-us/en/investors/debt-issuance). The Second Party Opinions and the contents of such websites do not form part of, and are not incorporated by reference into, this Base Prospectus.

No assurance is or can be given to investors by the Issuers or any other person that any projects or uses the subject of, or related to, any Green Notes or Social Notes will meet or continue to meet on an ongoing basis any or all investor expectations regarding "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of

the EUWA) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, Belfius' Green Bond Framework or Social Bond Framework. It should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as such. The EU Taxonomy Regulation is subject to further development through delegated regulations. The European Green Bond Standard has been introduced by Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**EU Green Bond Regulation**"). The EU Green Bond Regulation has been published in the Official Journal on 30 November 2023, with entry into force 20 days after publication. It will start to apply 12 months after entry into force, thus in December 2024. The EU Green Bond Regulation introduces a voluntary label for issuers of green use of proceeds bonds (such as Green Notes) where the proceeds will be invested in economic activities aligned with the EU Taxonomy. As at the date of this Base Prospectus, any Green Notes issued under this Programme are not issued in accordance with the requirements of the EU Green Bond Regulation and are not expected to be aligned with the European Green Bond Standard. The Green Notes are intended to comply with the criteria and processes set out in Belfius' Green Bond Framework only, which predates the adoption of the European Green Bond Standard but may be updated in the future to take this into account. It is not clear at this stage which impact the European Green Bond Standard may have on investor demand for, and pricing of, green use of proceeds bonds (such as the Green Notes) that do not meet such standard. It could reduce demand and liquidity for the Green Notes and their price.

There can be no assurance by the Issuers or any other persons that the use of the net proceeds of Green Notes or Social Notes identified in the applicable Final Terms will satisfy, whether in whole or in part, any present or future legislative or regulatory requirements (including the EU Taxonomy Regulation and the European Green Bond Standard, as applicable), or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates. Each prospective investor should have regard to the factors described in Belfius' Green Bond Framework (see the section "Green Bond Framework") or Belfius' Social Bond Framework (see the section "Social Bond Framework") and the applicable Final Terms and determine for itself the relevance of the information contained in this Base Prospectus and any applicable Final Terms regarding the use of proceeds and its purchase of the Green Notes or Social Notes, based upon such investigation as it deems necessary.

Further, although Belfius may agree at the Issue Date of any Green Notes or Social Notes to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of green projects or social projects (as specified in the relevant Final Terms), it would not (a) be an event of default under the Green Notes or Social Notes which would entitle the Noteholders to accelerate the Notes; (b) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes, or (c) impact the regulatory treatment of the Green Notes or Social Notes, including the qualification of the Green Notes or Social Notes as own funds or eligible liabilities of Belfius Bank (as applicable) (i) if Belfius were to fail to comply with such agreement or were to fail to use the proceeds in the manner specified in the relevant Final Terms or if the use is completed but leads to a result not originally anticipated; (ii) if the relevant Second Party Opinion were to be withdrawn or be no longer valid or renewed; (iii) in case of any failure by Belfius to comply with any ESG target or with regard to the expected performance of Eligible Green Assets or Eligible Social Assets; and/or (iv) if there would be a lack of Eligible Green Assets or Eligible Social Assets in which Belfius may invest. Any failure to use an amount equivalent to the net proceeds of any Series of Green Notes towards the financing and/or refinancing of the Eligible Green Assets or of any Series of Social Notes towards the financing and/or refinancing of the Eligible Social Assets, and/or any failure to meet, or to continue to meet, any investor expectations or requirements as to their "green", "social" or equivalent characteristics, including the failure to provide, or the withdrawal of, the relevant Second Party Opinion or the failure by Belfius to report on the use of proceeds or the Eligible Green Assets or Eligible Social Assets as

anticipated, may have a material adverse effect on the value and/or trading price of such Green Notes or Social Notes, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets or social assets, as applicable (which consequences may include the need to sell the Green Notes or Social Notes as a result of the Green Notes or Social Notes not falling within the investor's investment criteria or mandate).

Notwithstanding any use of the net proceeds of the Green Notes or Social Notes identified in the applicable Final Terms, investors should note that, in respect of Belfius Bank Notes, (i) such transactions will be fully subject to the CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments, as applicable, and, as such, proceeds from Green Notes or Social Notes qualifying as own funds or eligible liabilities should cover all losses in the balance sheet of the Issuer regardless of their green label, (ii) the Green Notes or Social Notes can be subject to bail-in and write-down or conversion powers and (iii) this will not affect the particular status of such Green Notes or Social Notes as identified in the applicable Final Terms, including, as applicable, in terms of subordination, loss absorbency features and regulatory treatment. In this respect, please also refer to the risk factor entitled "*Risks related to the bail-in of the Notes*".

*No assurance of suitability or reliability of any Second Party Opinion*

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by Belfius) which may be made available in connection with each issue of any Green Notes or Social Notes and in particular as to whether or not any Eligible Green Assets or Eligible Social Assets fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification (including the Second Party Opinions) (i) is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus, (ii) may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed in this section and other factors that may affect the value of any Green Notes or Social Notes, (iii) is not, nor should be deemed to be, a recommendation by the Issuers or any other person to buy, sell or hold Green Notes or Social Notes and (iv) would only be current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Green Notes or Social Notes (subject to any (limitation of) liability statement contained in such opinion, report or certification – the Green Bond Framework Second Party Opinion for example provides that "*Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law*"). Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight, it being understood that the EU Green Bond Regulation will require issuers to appoint independent EU regulated external reviewers (in order to obtain the voluntary label). As set out above, however, as at the date of this Base Prospectus, any Green Bonds issued under this Programme are not issued in accordance with the requirements of the EU Green Bond Regulation and are not expected to be aligned with the European Green Bond Standard.

*No Event of Default or breach of contract*

While the applicable Final Terms may indicate that Belfius will apply an amount equal to the net proceeds of any Notes issued as Green Notes for Eligible Green Assets as described in the applicable Final Terms or of any Notes issued as Social Notes for Eligible Social Assets as described in the applicable Final Terms, there is no contractual obligation on it to do so or to report on the use of proceeds or Eligible Green Assets or Eligible Social Assets, as applicable.

There can be no assurance that any such Eligible Green Assets or Eligible Social Assets, as applicable, will be available or capable of being implemented in the manner anticipated and, accordingly, that Belfius will be able to use such amounts for such Eligible Green Assets or Eligible Social Assets, as applicable, as intended, for reasons that are outside Belfius' control or which Belfius is not able to anticipate. In addition, there can be no assurance that the Eligible Green Assets or Eligible Social Assets, as applicable, will be completed as expected or achieve

the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated, and any such failure will not constitute an Event of Default or breach of contract with respect to any Notes issued as Green Notes or Social Notes. For the avoidance of doubt, a failure by Belfius to allocate an amount equal to the proceeds of any Notes issued as Green Notes or Social Notes or to report on the use of such amounts or Eligible Green Assets or Eligible Social Assets as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Notes or Social Notes or the failure of the Notes issued as Green Notes or Social Notes to meet investors' expectations requirements regarding any "green", "social" or similar labels or any failure by any Belfius entity to meet any ESG target or objective will not constitute an Event of Default or breach of contract with respect to any Notes issued as Green Notes or Social Notes.

*Notes issued as Green Notes or Social Notes are not linked to the performance of the Eligible Green Assets or Eligible Social Assets, as applicable, do not benefit from any arrangements to enhance the performance of the Green Notes or Social Notes or any contractual rights derived solely from the intended use of proceeds of such Green Notes or Social Notes*

The performance of the Green Notes or Social Notes is not linked to the performance of the Eligible Green Assets or Eligible Social Assets, as applicable, or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Green Notes or Social Notes and the Eligible Green Assets or Eligible Social Assets. Consequently, neither payments of principal and/or interest (if any) on the Green Notes or Social Notes nor any rights of Noteholders shall depend on the performance of the Eligible Green Assets or Eligible Social Assets or the performance of Belfius in respect of any such environmental or similar targets. Holders of any Green Notes or Social Notes shall have no preferential rights or priority against the assets of the Eligible Green Assets or Eligible Social Assets, as applicable, nor benefit from any arrangements to enhance the performance of the Notes.

#### 2.3.2.10. 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.

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

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

#### 2.3.2.11. Risks related to Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features. Moreover, the reference rate could be zero or even negative. Even if the relevant reference rate becomes negative, it will still remain the basis for the calculation of the interest rate, and a margin, if applicable, will be added to such negative interest rate. For the avoidance of doubt, the Noteholders will never be required to pay a coupon to the Issuer or the Guarantor.

#### 2.3.2.12. Risks related to early redemption of the Notes

The Terms and Conditions of the Notes provide that Notes may be redeemed prior to their stated maturity if (i) Partial Redemption is provided to be applicable in the relevant Final Terms, (ii) Call Option is provided to be applicable in the relevant Final Terms, at the option of the Issuer and (iii) Mandatory Early Redemption is provided to be applicable in the relevant Final Terms and one or more Trigger Events (as will be defined in the relevant Final Terms) occur.

An early redemption of the Notes is likely to limit the market value of such Notes. Where the relevant Issuer has the option to redeem the Notes prior to their stated maturity or the market anticipates that redemption might occur, such as when the relevant Issuer's cost of borrowing is lower than the interest rate on the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed during any period when the Issuer may elect to redeem such Notes.

If the relevant Issuer redeems the Notes prior to their maturity, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low. Investors that choose to reinvest moneys they receive through an early redemption of Notes may be able to do so only in securities with a lower yield than the redeemed Notes. Potential investors should consider reinvestment risk in light of other investments available at that time. In this respect, please also refer to the risk factor entitled "*Risks related to reinvesting risk*".

#### 2.3.2.13. Issuer substitution

Pursuant to Condition 8.16, in case of dissolution, liquidation, reconstruction, merger, amalgamation or any other kind of reorganisation, the relevant Issuer and, in the case of Belfius Financing Company Notes, the Guarantor may, without any further consent or cooperation from the Noteholders, at any time, procure that any affiliated or associated corporation of the relevant Issuer or, in the case of Belfius Financing Company Notes, the Guarantor is substituted for the relevant Issuer as the debtor under the Terms and Conditions to be offered by assigning all its rights and obligations to such other corporation, provided that certain preconditions are fulfilled. Notwithstanding each of these preconditions being satisfied prior to any such substitution, there can be no guarantee that any such substitution will not have an adverse effect on the price of the Notes and subsequently lead to losses for the Noteholders if they sell the Notes.

#### 2.3.2.14. Investors will not be able to calculate in advance their rate of return on Floating Rate Notes

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

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

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

#### 2.3.2.16. The market value of Notes issued at a substantial discount or premium may fluctuate more than on conventional interest-bearing securities

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

### *2.3.3. Risks in connection with the Guarantee*

#### 2.3.3.1. The Guarantor may not have the ability to pay all amounts due under the Belfius Financing Company Notes

The Guarantor may not be able to pay all amounts due under the Belfius Financing Company Notes in the event of a claim under the Guarantee. If the holders of the Belfius Financing Company Notes were to demand payment from the Guarantor under the Guarantee, it is uncertain that that it will be able to pay the required amount in full.

The Guarantor's ability to repay the Belfius Financing Company Notes will depend on its financial position at the time of the call under the Guarantee, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness.

The Guarantor's failure to pay amounts due under the Belfius Financing Company Notes may result in an event of default under the terms of other outstanding indebtedness of the Issuers and the Guarantor, which could lead to their insolvency. In this respect, please also refer to the risk factor entitled "*Ranking of the Notes and insolvency*".

#### 2.3.3.2. Each holder of Belfius Financing Company Notes must call upon the Guarantee at its own initiative

Each holder of Belfius Financing Company Notes will have to call the Guarantee at its own initiative. The amount that the holder of Belfius Financing Company Notes will be able to receive may depend on the moment the call under the Guarantee is made. Potential investors should also take into account that a call under the Guarantee may give rise to certain costs.

### *2.3.4 Operational risks*

#### 2.3.4.1. Reliance on the procedures of the Securities Settlement System and Securities Settlement System participants or other clearing systems where the Notes are represented or deposited for transfer, payment and communication with the Issuers

The Belfius Bank Notes will be issued in dematerialised form in accordance with the Belgian Code of Companies and Associations and cannot be physically delivered. The Belfius Bank Notes will be represented by book entries in the records of the Securities Settlement System. Access to the Securities Settlement System is available through the Securities Settlement System participants whose membership extends to securities such as the Belfius Bank Notes. The Securities Settlement System participants include certain banks, stockbrokers ("*beursvennootschappen"/"sociétés de bourse"*), and Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking Frankfurt ("**Clearstream**"), SIX SIS AG ("**SIX SIS**"), Monte Titoli S.p.A. ("**Euronext Securities Milan**"), Interbolsa S.A. ("**Euronext Securities Porto**"), Euroclear France SA ("**Euroclear France**") and LuxCSD S.A. ("**LuxCSD**").

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

The Belfius Financing Company Notes will be issued in dematerialised form, in registered form (*obligations nominatives/obligaties op naam*) or in bearer form and will be governed by Belgian law. The Belfius Financing Company Notes which are issued in dematerialised form will be represented by a book-entry in the records of the Securities Settlement System. The Belfius Financing Company Notes which are issued in registered form (*obligations nominatives/obligaties op naam*) will be issued pursuant to the applicable provisions of Articles 7:27 to 7:34 of the Belgian Code of Companies and Associations to the extent not deviated from by the Terms and Conditions of the Belfius Financing Company Notes. The Belfius Financing Company Notes which are issued in bearer form will be represented by a Permanent Global Note, deposited with the common depositary for Euroclear and Clearstream Banking S.A. and will not be exchangeable for definitive notes.

Neither the Issuers, nor the Guarantor, nor any Agent will have any responsibility for the proper performance by the Securities Settlement System or the Securities Settlement System participants or any other clearing systems where the Notes are represented or deposited (as applicable) of their obligations under their respective rules and operating procedures.

A Noteholder must rely on the procedures of the Securities Settlement System, the Securities Settlement System participants or such other clearing systems where the Notes are represented or deposited (as applicable) to receive payments under the Notes, make transfers and receive communications from the Issuers. The Issuers, the Guarantor nor any Agent will have any responsibility or liability for the records relating to, payments made in respect of, or delays of communication with regards to the Notes within the Securities Settlement System, the Securities Settlement System participants or such other clearing systems where the Notes are represented or deposited (as applicable).

# 3. CHOICES MADE BY THE ISSUERS

According to Article 8 of the Prospectus Regulation, the Issuers have chosen to issue notes under a base prospectus. The specific terms of each Tranche of Notes will be set forth in the applicable Final Terms. In addition, the Issuers choose the Kingdom of Belgium as their home Member State for purposes of the Prospectus Regulation.

The Issuers have 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 and Annex 14 of Commission Delegated Regulation (EU) 2019/980. In order to enable the Noteholders to identify in the presentation below the corresponding provisions of the relevant Annexes 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 the relevant Annexes of Commission Delegated Regulation (EU) 2019/980, are not included in the presentation when the Issuers so determine.

# 4. RESPONSIBILITY STATEMENT

(Annex 6.1 and 14.1 of Commission Delegated Regulation (EU) 2019/980)

Belfius Financing Company as Issuer and Belfius Bank as Issuer or Guarantor, as applicable, accept responsibility for the information given in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. The information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

In addition, in the context of any Public Offer, the Issuers also accept responsibility as set forth above for the content of this Base Prospectus in relation to any person (an "**Investor**") to whom any offer of Notes is made by any financial intermediary to whom the relevant Issuer has given its consent to use this Base Prospectus in connection with Public Offers of the Notes, subject to the conditions set out below (an "**Authorised Offeror**"). However, the relevant Issuer does not have any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such Public Offer.

Pursuant to the paragraph above, and if so specified in the Final Terms in respect of any Tranche of Notes, the relevant Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the relevant Notes by each Authorised Offeror on the following basis:

(a) such consent is given only for the use of this Base Prospectus, as supplemented from time to time, in relation to Public Offers of Notes occurring within 12 months from the date of this Base Prospectus;

(b) such consent relates only to the offer period of the applicable Public Offer (the "**Offer Period**");

(c) such consent only relates to Public Offers made in Belgium;

(d) the relevant Authorised Offeror complies with the following (the "**Authorised Offeror Terms**"):

  (i) it is authorised to make Public Offers under MiFID II and applicable legislation implementing MiFID II, provided, however, that if any Authorised Offeror ceases to be so authorised, then the consent of the Issuer shall be given only for so long as such Authorised Offeror is so authorised to make Public Offers under MiFID II and applicable legislation implementing MiFID II;

  (ii) it accepts such offer by the relevant Issuer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

  "*We, [specify name of financial intermediary], refer to the offer of [specify title of Notes] (the "Notes") described in the Final Terms dated [specify date] (the "Final Terms") published by [specify name of issuer] (the "Issuer"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in Belgium during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), we accept the offer by the Issuer. We confirm that we are authorised under Directive 2014/65/EU, as amended, to make, and are using the Base Prospectus in connection with, the offer of the Notes accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus.*"

  (iii) it acts in accordance with, and will be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by an Investor and disclosure to any potential Investor;

(iv) it complies with the restrictions set out under "Terms and Conditions of the Offer" in this Base Prospectus which would apply as if it were a relevant Dealer;

(v) it considers the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the relevant Final Terms;

(vi) it ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to Investors or potential Investors;

(vii) it holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;

(viii) it complies with, and takes appropriate steps in relation to, applicable anti-money laundering, anti-bribery, prevention of corruption and "know your client" Rules, and does not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(ix) it retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer and the relevant Issuer or directly to the appropriate authorities with jurisdiction over the relevant Issuer and/or the relevant Dealer in order to enable the relevant Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the relevant Issuer and/or the relevant Dealer;

(x) it does not, directly or indirectly, cause the relevant Issuer or the relevant Dealer to breach any Rule or subject the relevant Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(xi) it immediately gives notice to the relevant Issuer and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules or the Authorised Offeror Terms, and takes all appropriate steps to remedy such violation and comply with such Rules and the Authorised Offeror Terms in all respects;

(xii) it does not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the relevant Issuer from time to time) or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Notes;

(xiii) it agrees that any communication in which it attaches or otherwise includes any announcement published by the relevant Issuer at the end of the Offer Period will be consistent with the Base Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the relevant Issuer and must expressly confirm that the relevant Issuer has not accepted any responsibility for the content of any such communication;

(xiv) it does not use the legal or publicity names of the relevant Dealer, the relevant Issuer or any other name, brand or logo registered by any entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Notes;

(xv) it agrees to any other conditions set out in the relevant Final Terms, including under the section "Distribution";

(xvi) it agrees and accepts that the Dealers will be entitled to enforce those provisions of the contract between the relevant Issuer and the financial intermediary, formed upon acceptance by the financial intermediary of the relevant Issuer's offer to use of the Base Prospectus with its consent in

connection with the relevant offer of Notes, which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms;

(xvii) it will co-operate with the relevant Issuer and the relevant Dealer in providing relevant information and such further assistance as is reasonably requested upon written request from the relevant Issuer or the relevant Dealer in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process. For this purpose, relevant information is information that is available to, or can be acquired by, the relevant financial intermediary:

(a) in connection with any request or investigation by any regulator in relation to the Notes, the relevant Issuer or the relevant Dealer; and/or

(b) in connection with any complaints received by the relevant Issuer and/or the relevant Dealer relating to the relevant Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in the Rules; and/or

(c) which the relevant Issuer or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or to allow the relevant Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements;

(xviii) it will, during the period of the initial offering of the Notes (A) only sell the Notes at the Issue Price specified in the relevant Final Terms (unless otherwise agreed with the relevant Issuer and the relevant Dealer), (B) only sell the Notes for settlement on the Issue Date specified in the relevant Final Terms, (C) not appoint any sub-distributors (unless otherwise agreed with the relevant Issuer and the relevant Dealer), (D) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer) and (E) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer; and

(xix) it will either (A) obtain from each potential Investor an executed application for the Notes or (B) keep a record of all requests the relevant financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

(xx) it agrees and undertakes to each of the relevant Issuer and the relevant Dealer that if it or any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a "**Relevant Party**") incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) (a "**Loss**") arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the relevant Issuer or the relevant Dealer, the relevant financial intermediary shall pay to the Issuer or the relevant Dealer, as the case may be, an amount equal to the Loss. Neither the relevant Issuer, nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision;

(xxi) it agrees and accepts that:

(a) the contract between the relevant Issuer and the relevant financial intermediary formed upon acceptance by the relevant financial intermediary of the relevant Issuer's offer to use this Base Prospectus with its consent in connection with the relevant offer of Notes (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, Belgian law;

(b) subject to (d) below, the Brussels courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the relevant Issuer and the relevant financial intermediary submit to the exclusive jurisdiction of the Brussels courts;

(c) for the purposes of (b) and (d), the relevant financial intermediary waives any objection to the Brussels courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;

(d) to the extent allowed by law, the relevant Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions; and

(e) each relevant Dealer will be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms; and

(e) any other conditions relating to the relevant Public Offer (as specified in the relevant Final Terms) are complied with.

Details of the Offer Period and any other conditions relating to the Public Offer and the names of the Authorised Offeror(s) will be specified in the Final Terms relating to a Tranche of Notes.

The relevant Issuer may give its consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the relevant Issuer will publish the relevant information in relation to them on http://www.belfius.be.

Any Authorised Offeror wishing to use this Base Prospectus in connection with a Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

The Issuers have not authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes unless (i) the offer is made by an Authorised Offeror as described above or (ii) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Regulation. Any such unauthorised offers are not made on behalf of the Issuers and the Issuers have no responsibility or liability for the actions of any person making such offers. If, in the context of a Public Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of the relevant Public Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements (the "**Terms and Conditions of the Public Offer**"). The Issuer will not be a party to any such arrangements with Investors in connection with the offer or sale of the Notes and, accordingly, this Base

Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuers, the Guarantor nor any Dealer has any responsibility or liability for such information.

# 5. DOCUMENTS INCORPORATED BY REFERENCE

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

(i) the audited consolidated accounts of Belfius Bank for the years ended 31 December 2022[11] and 31 December 2023[12], including the reports of the statutory auditors in respect thereof; and

(ii) the disclosure documents on alternative performance measures ("**APM**") for the years ended 31 December 2022[13] and 31 December 2023[14],

each of which are incorporated by reference in this Base Prospectus.

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

This Base Prospectus should also be read and construed in conjunction with the audited accounts of Belfius Financing Company for the years ended 31 December 2022 and 31 December 2023, including the reports of the statutory auditors in respect thereof, each as incorporated in Annex 5 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 Notes from the previous base prospectus relating to the Programme which was approved by the FSMA on 23 May 2023 (and which is replaced and superseded by this Base Prospectus) with respect to any Notes 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 offices of Belfius Bank and on the website of Belfius Bank (https://www.belfius.be).

The tables below set out the relevant page references for:

(a) the (i) consolidated balance sheet, (ii) consolidated statement of income, (iii) consolidated statement of comprehensive income, (iv) consolidated statement of change in equity, (v) consolidated cash flow statement, (vi) notes to the consolidated financial statements, (vii) audit report on the consolidated accounts, (viii) non-consolidated balance sheet, (ix) non-consolidated statement of income, (x) audit report on the non-consolidated accounts and (xi) APMs of Belfius Bank for the financial years ended 31 December 2022 and 31 December 2023, for the years ended 31 December 2022 and 31 December 2023 of Belfius Bank; and

(b) the accounting policies, notes and auditors' reports of Belfius Financing Company for the financial years ended 31 December 2022 and 31 December 2023 (each as also incorporated in Annex 5 of this Base Prospectus).

[11] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Annual%20Report%20Belfius%20Bank%202022%20-%20ENG.pdf

[12] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Annual-Report-2023-EN.pdf

[13] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2022%20Alternative%20Performance%20Measures.pdf

[14] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2023-APM.pdf

Information contained in the documents incorporated by reference or incorporated in Annex 5 (as applicable) other than information listed in the table below is for information purposes only and does not form part of this Base Prospectus. Such non-incorporated parts are deemed not relevant for the investor or are covered elsewhere in this Base Prospectus.

The balance sheet and statement of income of Belfius Financing Company can be found in the section headed "6. Belfius Financing Company" of this Base Prospectus.

| *(reference to pages of the Reports)* | **Annual Report 2022 Audited** | **Annual Report 2023 Audited** |
|---|---|---|
| Audit report on the accounts | 1-4 | 1-3 |
| Balance sheet | 5-10 | 4-9 |
| Profit and loss account | 11-13 | 10-12 |
| Notes to the accounts | 14-23 | 13-22 |

The consolidated balance sheet and consolidated statement of income of Belfius Bank can be found in the section headed "7. Belfius Bank SA/NV" of this Base Prospectus.

| *(reference to pages of the Reports)* | **Annual Report 2022 (English version) audited** | **Annual Report 2023 (English version) audited** |
|---|---|---|
| Consolidated balance sheet | 261-262 | 164-166 |
| Consolidated statement of income | 263 | 167 |
| Consolidated statement of comprehensive income | 264-265 | 168-169 |
| Consolidated statement of changes in equity | 266-270 | 170-174 |
| Consolidated cash flow statement | 271-272 | 175-176 |
| Notes to the consolidated financial statements | 273-420 | 177-344 |
| Audit report on the consolidated accounts | 421-426 | 345-353 |
| Non-consolidated balance sheet | 428-429 | 355-356 |
| Non-consolidated statement of income | 431-432 | 358-359 |
| Audit report on the non-consolidated accounts | 433 | - |

| *(reference to pages of the documents)* | **Alternative performance measures 2022** | **Alternative performance measures 2023** |
|---|---|---|
| common equity tier 1 ratio | 1 | 1 |
| tier 1 ratio | 1 | 1 |
| total capital ratio | 1 | 1 |
| leverage ratio | 2 | 2 |
| solvency II ratio | 2 | 2 |
| liquidity coverage ratio | 2 | 2 |
| net stable funding ratio | 2 | 2 |
| net interest margin | 3 | 3 |
| cost-income ratio | 3 | 3 |
| credit cost ratio | 3 | 3 |

| | | |
|---|---|---|
| asset quality ratio | 4 | 4 |
| coverage ratio | 4 | 4 |
| return on equity | 4 | 4 |
| return on assets | 4 | 4 |
| return on normative regulatory equity | 5 | 5 |
| total savings and investments of commercial activities | 5 | 5 |
| total loans to customers | 6 | 6 |
| ALM liquidity bond portfolio | 6 | 6 |
| ALM yield bond portfolio | 7 | 7 |
| credit guarantee portfolio | 7 | 7 |
| funding diversification | 7 | 7 |
| life income margin | 8 | - |
| non-life expense ratio | 9 | 8 |
| non-life net loss ratio | 9 | 9 |
| adjusted result | 10 | 9 |

# 6. BELFIUS FINANCING COMPANY

(Annex 6.4 of Commission Delegated Regulation (EU) 2019/980)

## *6.1. General Information*

Belfius Financing Company, established on 29 October 2010 for an unlimited duration and incorporated under Luxembourg law, is registered with the Register of Commerce and Companies of Luxembourg under number B 156767 ("**R.C.S Luxembourg**"). The articles of association of this Issuer were last amended and restated by notarial deed on 7 May 2014.

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

Its contact details for the purpose of this Base Prospectus are the following:

Belfius Financing Company

20, rue de l'Industrie, L-8399 Windhof, Grand Duchy of Luxembourg

LEI: 222100XN1KG7XBC16R52

Telephone: +352 27 32 95 1

Website: https://www.belfius-financingcompany.lu

Belfius Financing Company has existing senior preferred bonds outstanding. No such bonds are as at the date of this Base Prospectus listed for trading on the Luxembourg Stock Exchange.

According to Article 4 of its articles of association, the purpose of Belfius Financing Company is:

(a) to hold shareholdings and stakes, in any form whatsoever, in any commercial, industrial, financial or other Luxembourg or foreign company or undertakings, as well as to manage and optimise these stakes;

(b) to acquire by way of participations, contributions, guarantees, acquisitions or options, negotiation or any other means, securities, rights, patents, licenses and other assets, provided the Company considers it appropriate to do so, and in general to hold, manage, optimise, sell or transfer the aforementioned, in whole or in part;

(c) to take part in commercial, financial or other transactions and to grant to any holding company, subsidiary, associated or affiliated company or any other company belonging to the same corporate group as the Company any financial assistance, loan, advance or guarantee;

(d) to borrow, raise funds by any means whatsoever (including without limitation the issuance of preferred equity certificates (PECs) (nonconvertible or convertible into shares), loans, bonds, acknowledgements of debt and any other form of debt or type of instrument) and to ensure the reimbursement of any borrowed amount; to perform all operations directly or indirectly related to this purpose.

Belfius Financing Company may grant pledges, guarantees, liens, mortgages and any other type of security (surety), as well as any form of compensation, to Luxembourg or foreign entity(ies) in relation to its own obligations and debts, or in relation to the obligations and debts of subsidiaries, associated or affiliated companies or any company belonging to the same corporate group.

Belfius Financing Company may acquire immovable property located abroad or in Luxembourg.

Belfius Financing Company may, moreover, perform any commercial, technical or financial transactions, involving movable or immovable property, which are directly or indirectly related to the abovementioned purpose.

As at 31 December 2023, the share capital of Belfius Financing Company amounted to EUR 3,094,000, fully subscribed and paid up to the extent of the aggregate amount of EUR 2,113,004 and represented by 251 shares without par value, held by its sole shareholder, Belfius Bank SA/NV. Belfius Financing Company is dependent on

Belfius Bank SA/NV for the set-up, marketing and sale of its Notes issues. In addition, Belfius Financing Company relies on the fees paid by Belfius Bank SA/NV to finance its corporate activities.

Belfius Financing Company issues notes in the market, whereby proceeds of the issued notes are fully transferred to Belfius Bank.

There are no recent events particular to Belfius Financing Company which are, to a material extent, relevant to the evaluation of its solvency.

There have been no material contracts that are entered into in the ordinary course of Belfius Financing Company's business which could result in any member of the Belfius group being under an obligation or an entitlement that is material to Belfius Financing Company's ability to meet its obligations to Noteholders.

Belfius Financing Company has made no investment since the date of the last published financial statements, and no principal future investments are planned.

The auditors of Belfius Financing Company are KPMG Audit S.à r.l., 39 Avenue John F. Kennedy, L-1855 Luxembourg, being member of KPMG International and being a member of the *Institut des Réviseurs d'Entreprises (IRE)* of Luxembourg.

The relevant auditor's report with respect to the audited annual accounts of Belfius Financing Company for the years ended 31 December 2022 and 31 December 2023, as incorporated in Annex 5 of this Base Prospectus, were delivered without any reservations.

## *6.2. Management Board*

Belfius Financing Company has a Board of Directors. At the date of this Base Prospectus, the Board of Directors of Belfius Financing Company is composed of:

Category A Directors:

Werner Driscart

Kristin Claessens

Category B Directors

Benoît Felten

Christoph Finck

## *6.3. Selected Financial Information*

The following tables summarise the audited balance sheet and, income statement of Belfius Financing Company for the period ending 31 December 2022 and 31 December 2023, as well as the unaudited Cash Flow Statement of Belfius Financing Company as at 31 December 2022 and as at 31 December 2023.

## Audited Balance Sheet of Belfius Financing Company as of 31 December 2022 and 31 December 2023

**BELFIUS FINANCING COMPANY S.A.**

Société Anonyme

**BALANCE SHEET**

As at December 31, 2023

(expressed in thousands of EUR)

| **ASSETS** | **Notes** | **2022** | **2023** |
|---|---|---|---|
| **SUBSCRIBED CAPITAL UNPAID** | 6 | **981** | **981** |
| Subscribed capital not called | | 981 | 981 |
| **FORMATION EXPENSES** | | **0** | **0** |
| **FIXED ASSETS** | | **8** | **6** |
| Tangible assets | 3 | 8 | 6 |
| **CURRENT ASSETS** | | **10,863,913** | **12,810,606** |
| Debtors | 4 | 6,971 | 54,537 |
| Amounts owed by affiliated undertakings | | | |
| *becoming due and payable within one year* | | *6,971* | *54,157* |
| *becoming due and payable after more than one year* | | *0* | *380* |
| Other investments | 5 | 10,854,045 | 12,752,857 |
| Cash at bank and in hand | | 2,897 | 3,212 |
| **PREPAYMENTS** | | **11** | **7** |
| **TOTAL (ASSETS)** | | **10,864,913** | **12,811,600** |
| **CAPITAL, RESERVES AND LIABILITIES** | | | |
| **CAPITAL AND RESERVES** | 6 | **4,433** | **4,690** |
| Subscribed capital | | 3,094 | 3,094 |
| Reserves | | 748 | 746 |
| Profit brought forward | | 355 | 339 |
| Profit for the financial year | | 236 | 511 |
| **PROVISIONS** | | **0** | **0** |
| **OTHER CREDITORS** | 7 | **10,860,318** | **12,806,687** |
| Trade creditors | | 6 | 31 |
| Tax authorities | | 176 | 276 |
| Social security authorities | | 13 | 17 |
| Other creditors | | 10,860,123 | 12,806,363 |

| | | |
|---|---|---|
| *becoming due and payable within one year* | *2,268,463* | *1,946,711* |
| *becoming due and payable after more than one year* | *8,591,660* | *10,859,652* |
| **DEFERRED INCOME** | **162** | **223** |
| **TOTAL (CAPITAL, RESERVES AND LIABILITIES)** | **10,864,913** | **12,811,600** |

The accompanying notes form an integral part of these annual accounts.

## Audited Profit and Loss Account of Belfius Financing Company as of 31 December 2022 and 31 December 2023

**BELFIUS FINANCING COMPANY S.A.**

Société Anonyme

**PROFIT AND LOSS ACCOUNT**

For the year ended December 31, 2023

(expressed in thousands of EUR)

| | Notes | 2022 | 2023 |
|---|---|---|---|
| **Other operating income** | | **3** | **2** |
| **Raw materials and consumables and other external expenses** | 8 | **(720)** | **(780)** |
| **Staff costs** | 9 | **(375)** | **(333)** |
| Wages and salaries | | (316) | (278) |
| Social security costs | | (41) | (36) |
| *Relating to pensions* | | *(25)* | *(22)* |
| *Other social security costs* | | *(16)* | *(14)* |
| Other staff costs | | (18) | (19) |
| **Value adjustments** | | **(3)** | **(3)** |
| In respect of formation expenses | | (0) | (0) |
| In respect of fixed assets | | (3) | (3) |
| **Other operating expenses** | 10 | **(19)** | **(22)** |
| **Other interest receivable and similar income** | 11 | **107,515** | **201,744** |
| Derived from affiliated undertakings | | 107,514 | 201,702 |
| Other interest and similar income | | 1 | 42 |
| **Interest payable and similar expenses** | 12 | **(106,074)** | **(199,900)** |
| Other interest and similar expenses | | (106,074) | (199,900) |
| **Tax on profit** | 13 | **(92)** | **(197)** |
| **Profit after taxation** | | **235** | **511** |
| **Other taxes** | | 0 | 0 |
| **Profit for the financial year** | | **235** | **511** |

The accompanying notes form an integral part of these annual accounts.

**Unaudited Cash Flow Statement of Belfius Financing Company as at 31 December 2022 and as at 31 December 2023**

The cash flow statements below have been drawn up solely and exclusively for the purpose of the compliance of this Base Prospectus with the requirements of the Prospectus Regulation. As a consequence, these cash flow statements have been established after the date on which the audited financial statements for the financial years 2022 and 2023 have been published and therefore have not been audited by the statutory auditors of Belfius Financing Company. The cash flow statements for the financial year 2022 and the financial year 2023 are based on the audited financial statements of the said years and have been drawn up in accordance with Lux GAAP.

(Cash Flow Statement expressed in EUR)

**CASH FLOW STATEMENT**

Reporting Unit: 6126 - Belfius Financing Company S.A.

(expressed in EUR)

| | 31 December 2022 | 31 December 2023 |
|---|---|---|
| Net cash provided by operating activities | 680,017,323 | (740,242,813) |
| Net cash provided by investing activities | 0 | 0 |
| Net cash provided by financing activities | 0 | (255,000) |
| Net increase in cash and cash equivalent | 680,017,323 | (740,497,813) |
| Cash & cash equivalent at the beginning of period | 90,695,775 | 770,713,098 |
| Cash & cash equivalent at the end of period | 770,713,098 | 30,215,285 |

### *Prospects*

Other than set out in this Base Prospectus, there has been no material adverse change in the prospects of Belfius Financing Company since the date of its last published audited financial statements.

### *Significant changes in the financial performance*

Other than set out in this Base Prospectus, there are no significant changes in the financial performance of Belfius Financing Company since the date of its last published audited financial statements.

# 7. BELFIUS BANK SA/NV

(Annex 6.4 of Commission Delegated Regulation (EU) 2019/980)

### *7.1. 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 Belgian law of 25 April 2014 on the status and supervision of credit institutions (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. Belfius Bank's LEI code is A5GWLFH3KM7YV2SFQL84. 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 31 December 2023 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.

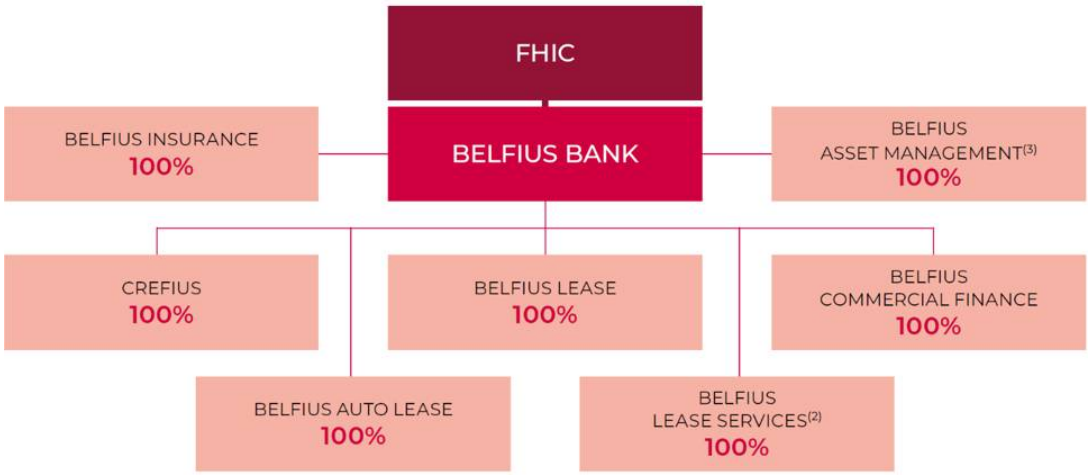
At the end of 2023, total consolidated balance sheet amounted to EUR 179 billion.

There have been no material contracts that are entered into in the ordinary course of Belfius Bank's business which could result in any member of the Belfius group being under an obligation or an entitlement that is material to Belfius Bank's ability to meet its obligations to Noteholders.

The auditors of Belfius Bank for the historical financial information covered by this Base Prospectus are KPMG Reviseurs d'Entreprises SCRL, Gateway building, Luchthaven Nationaal 1 K, 1930 Zaventem, Belgium, being a member of the Belgian *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*. KPMG Reviseurs d'Entreprises SCRL were reappointed as statutory auditors of Belfius Bank by its ordinary general meeting of shareholders held in 2023 for a term of three years.

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.

### *7.2. Simplified group structure as at the date of this Base Prospectus*




*(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.*

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

### *7.3. Main commercial subsidiaries*

The entities mentioned below are subsidiaries 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[15].

***Crefius***

Company servicing and managing mortgage loans. At the end of 2023, total balance sheet of Crefius amounted to EUR 22 million[16].

***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[17].

***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[18].

[15] For more details, see the 2023 annual report of Belfius Insurance. The 2023 annual report of Belfius Insurance does not form part of, and is not incorporated by reference into, this Base Prospectus.

[16] Total IFRS balance sheet before consolidation adjustments.

[17] Total IFRS balance sheet before consolidation adjustments.

[18] Total IFRS balance sheet before consolidation adjustments.

***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[19].

***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[20].

***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[21] and assets under management amounted to EUR 30.7 billion.

## *7.4. Financial results*

***Results 2023[22]***

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.

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 the bank's 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 adjusted[23] 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

[19] Total IFRS balance sheet before consolidation adjustments.

[20] Total IFRS balance sheet before consolidation adjustments.

[21] Total IFRS balance sheet before consolidation adjustments.

[22] Belfius, as integrated bank-insurer, has released its 2023 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.

[23] Insurance Service Expenses Adjusted equal Insurance Service Expenses, plus Net Reinsurance Result, minus Operating Expenses allocated to Insurance Service Expenses.

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. Costs[24] 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 ratio[25] 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 income[26] by +23%, to EUR 1,603 million in 2023 (compared to EUR 1,305 million in 2022).

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 NTK[27] 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:

[24] Including directly attributable costs for insurance contracts.

[25] Representing Costs (including costs directly attributable to insurance services) divided by Income.

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

[27] Belgian tax on credit institutions.

- the CET 1[28] 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 potential 2023 dividend of EUR 440.3 million[29], thanks to which Belfius continued to support its 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 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% end of December 2023;
- at the end of December 2023, Belfius continued to show an excellent liquidity and funding profile with a LCR of 139% and a 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 end 2022), as a result of strong financial results and favourable financial markets.

***Prospects***

Other than as set out in this Base Prospectus, there has been no material adverse change in the prospects of Belfius Bank since the date of its last published audited financial statements.

***Significant changes in the financial performance***

Other than as set out in this Base Prospectus, there have been no significant changes in the financial performance of Belfius Bank since the date of its last published audited financial statements.

### *7.5. Minimum CET 1 requirements (SREP)*

Following the annual "Supervisory Review and Evaluation Process" finalised at the end of 2022 and taking into account the sectoral systemic risk buffer for Belgian residential real estate exposures (notified by the NBB in May 2022), Belfius has to comply with a minimum CET 1 capital ratio for 2023 of 10.099% (before Pillar 2 Guidance).

The Pillar 2 Requirement (P2R) was set at 2.14% (to compare with 2.13% in 2022) to be held in the form of 56.25% CET 1 capital and includes a prudential add-on for non-performing exposures of 14 bps.

The countercyclical buffer was set at 0.13% (to compare with 0.06% in 2022), an increase of 7 bps mainly following the change in countercyclical buffer rate for Great Britain.

In line with the enhanced resilience of Belfius in the EBA stress test published in July 2021 as set forth in the 2021 SREP Decision which continues to apply, the Pillar 2 Guidance (P2G) remains unchanged at 0.75% on the CET 1 capital ratio. As a result, Belfius has to comply with a minimum CET 1 ratio of 10.849% for 2023 (to compare with 10.801% in 2022). The consolidated CET 1 capital ratio of Belfius at the end of December 2023 stood at 15.95%, well above the 2023 applicable CET 1 capital ratio requirement of 10.099%.

[28] 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.

[29] 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.

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.

### *7.6. Segment reporting*

Analytically, Belfius splits its activities and accounts in three segments: Individuals (IND), Entrepreneurs, Enterprises and Public (E&E&P) and Group Center (GC).

- 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 Bonds and Derivatives portfolio management.

***Individuals (IND)***

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 468 branches, digital channels, its modern interaction platform Belfius Connect and a large number of automatised self-banking machines. Through executing its digital strategy, Belfius Bank became a leader in mobile banking with over 1.98 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 2023

As at 31 December 2023, total savings and investments amounted to EUR 121.7 billion, an increase of +4.6% compared with the end of 2022, thanks to EUR 2.3 billion organic growth and EUR 3.1 billion market effect in 2023. Higher interest rates shifted the product mix from Non-Maturing deposits to Maturing Deposits (Term Deposits, Bonds) and to the 1Y State Government Bond.

Non-Maturing deposits totalled EUR 55.7 billion as at 31 December 2023, down -11.0% from the end of 2022. The payment and savings accounts outstanding reached EUR 12.6 billion (-9.7%) and EUR 43.1 billion (-11.3%), respectively, at the end of December 2023.

Maturing deposits and Branch 21 amounted to EUR 18.3 billion, up +38.6% compared to the end of 2022. This strong increase is mainly due to Term Deposits and Bonds that benefitted from higher interest rates and amounted to EUR 4.2 billion (+225% compared to 2022) and EUR 9.9 billion (+25% compared to 2022), respectively.

Asset Management Service and Equity investments volumes increased by +10.0% compared to the end of 2022, to EUR 41 billion, mainly explained by the positive market effect and to a lesser extent by the organic growth.

Total loans to customers increased by +3.5% to EUR 50.3 billion as at 31 December 2023. Mortgage loans, which account for 90% of all loans for Individuals, amounted to EUR 45.4 billion at the end of 2023 (+3.4%), while consumer loans and other loans to Individuals stood at EUR 1.8 billion and EUR 3.0 billion, respectively, stable compared to 2022.

New long-term loans granted to Individuals clients during 2023 amounted to EUR 6.6 billion, a decrease of -29% compared to EUR 9.3 billion in 2022. In 2023, the new production of mortgage loans decreased by -33% to EUR 5.3 billion. During the same period, EUR 0.8 billion in consumer loans and EUR 0.5 billion in new long-term business loans were granted, stable compared to 2022.

Non-life insurance Gross Written Premiums grew by +7.2% in 2023 compared to 2022, at EUR 675 million, boosted by Belfius Bank's distribution channel (+9.6%). The premium collection in DVV Insurance amounted to EUR 297 million, (+6.1% compared to 2022) and in Belfius Direct Insurance, previously Corona, to EUR 71 million, up +1.6% compared to 2022. Such growth is mostly driven by premium indexation to compensate for inflation pressure on claims and costs, but also slightly improving thanks to net new business growth in Bank-Insurance and DVV.

The mortgage loan intentional cross-sell ratio for credit balance insurance increased to reach 136% at the end of 2023. The intentional mortgage loan cross-sell ratio for property insurance increased to 88%.

Life insurance reserves increased slightly (+3.5%) since end 2022 to EUR 10.1 billion at the end of 2023. Unit-linked reserves (Branch 23) increased with +6%, mainly thanks to a positive market effect of EUR 0.3 billion and the reserves Life Invest Branch 21 increased with +7% since Belfius was the first to launch a product with increased guaranteed interest rate.

Individuals' net income after tax increased by +33.0% from EUR 394 million in 2022 to EUR 524 million in 2023.

***Entrepreneurs, Enterprises & Public (E&E&P)***

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 2023

As of 31 December 2023, total savings and investments amounted to EUR 65.0 billion, up +3.2% (EUR +2 billion) compared to the end of 2022. Non-Maturing Deposits (saving and payment accounts) decreased by more than EUR 6 billion to EUR 33.4 billion, explained by the Product mix switch to Maturing Deposits. Asset Management Service and Equity investments increased by EUR 1.5 billion to EUR 10.5 billion, mainly explained by the positive market effect and the good organic growth. Other Savings and Investments increased by EUR 0.9 billion to EUR 9 billion, mainly explained by the increase in Commercial Paper.

Total outstanding loans increased to EUR 63.4 billion (+3.5%). Outstanding loans to Business customers has grown by EUR 0.6 billion (or +3.8%). Outstanding loans to Corporate customers has grown strongly by EUR 1.9 billion (or +8.1%). In Public & Social Banking, the outstanding loans remained stable compared to 2022.

Belfius granted EUR 16.8 billion (+7%) in new long-term loans in the Belgian economy to Business, Corporate and Public and Social sector clients.

In 2023, EUR 4 billion new long-term loans to business clients were granted. Belfius assisted 42,864 new start-ups (of which 30% are starters of 3 years or less), strong increase of +60% compared to 2022.

The production of long-term loans for Corporate customers amounted to EUR 9.6 billion (+18% increase compared to 2022), confirming Belfius' position as a leader in the corporate market, with a solid position and a market share of 21.1%.

In 2023, Belfius granted EUR 3.2 billion of new long-term financing to the public sector. 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 58% (in volume on production) of the public sector financing files put out to tender in 2023.

Belfius also strengthened its leading position in the Debt Capital Markets (DCM) for (semi-)public and private companies: in 2023, Belfius Bank was involved in the issuance of EUR 6.6 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 2022 (+5.2%) to EUR 183 million thanks to growth in the business segment of both Bancassurance and DVV, offsetting the decrease in the Wholesale segment due to the end of an important Property contract;
- Production of E&E&P Life: decrease compared to 2022 by EUR -12 million to EUR 380 million. The main impact is on Business Pension GWP, which suffers from lower back services IPT, while GWP on wholesale contracts is only slightly lower than in 2022.

Net income after tax increased from EUR 421 million in 2022 to EUR 577 million in 2023.

***Group Center (GC)***

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

- Run-off portfolios, inherited from the Dexia era, which mainly comprise:
    - 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;
    - a portfolio of credit guarantees, comprising credit default swaps and financial guarantees written on underlying bonds issued by international issuers, and partially hedged by Belfius with monoline insurers (mostly Assured Guaranty); and
    - a portfolio of 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 corporate and financial market support services (e.g. Treasury), the management of two former specific loan files inherited from the Dexia era (loans to Gemeentelijke Holding/Holding Communal and Arco entities), and the Group Center of Belfius Insurance.

These portfolios and activities are further described below.

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 2023, the ALM Liquidity bond portfolio stood at EUR 7.8 billion, up EUR 0.7 billion, or 10%, compared with December 2022. At the end of 2023, the portfolio was composed of sovereign and public sector bonds (61%), covered bonds (33%), corporate bonds (5%) and asset-backed securities (<1%). Belgian and Italian government bonds in the ALM Liquidity bond portfolio both amounted to EUR 1.5 billion and EUR 0.9 billion, respectively.

At the end of 2023, the ALM Liquidity bond portfolio had an average life of 6.9 years, and an average rating of A (100% of the portfolio being investment grade) compared with A- at year-end 2022.

ALM Yield bond portfolio

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

At the end of 2023, the ALM Yield bond portfolio stood at EUR 3.0 billion, down 3%, compared with December 2022. At the end of 2023, the portfolio was composed of corporates (79%), sovereign and public sector (10%), asset-backed securities (6%), and financial institutions (4%). Almost 85% of corporate bonds, composed mainly of long-term inflation-linked bonds, are issued by highly regulated UK hospitals, infrastructure companies and utilities such as water and gas distribution companies. These bonds are of satisfactory credit quality and the majority of these bonds are covered by credit protection from a credit insurer (monoline insurer) that is independent from the bond issuer.

At the end of 2023, the ALM Yield bond portfolio had an average life of 18.9 years. The average rating of the ALM Yield bond portfolio stood at A-. 94% of the portfolio was investment grade.

Derivatives with Dexia entities and foreign counterparties

During the period it was part of the Dexia Group, formerly 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 7.0 billion at the end of 2023, down EUR 1.1 billion, or -13%, compared with EUR 8.1 billion at the end of December 2022.

Derivatives with Dexia entities decreased by 16% (or EUR -1.0 billion) to EUR 5.2 billion at the end of 2023. This decrease is due mainly to amortisations. Derivatives with international counterparties decreased by EUR 0.2 billion (or -10%) to EUR 1.7 billion at the end of 2023.

The fair value of Dexia and international counterparty derivatives amounted to EUR 0.8 billion at the end of 2023. After collateralisation, the Exposure At Default (EAD) remained stable at EUR 0.7 billion.

At the end of 2023, the average rating of the total portfolio stood at BBB+ and the average residual life of the portfolio stood at 10.2 years[30].

[30] Calculated on EAD.

Credit guarantees

At the end of 2023, the credit guarantees portfolio amounted to EUR 1.9 billion, down EUR 0.1 billion or -5% compared with December 2022. It relates essentially to Financial Guarantees, and Credit Default Swaps issued on corporate/public issuer bonds (93%) 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 (US reinsurance companies, essentially Assured Guaranty) resulted in a portfolio that is 97% investment grade in terms of credit risk profile. The most important risk is a credit default swap position on a Mexican RMBS which saw its credit quality significantly deteriorate following an earlier change in indexation.

At the end of 2023, the average rating of the portfolio stood at A- (stable compared to year end 2022). The average residual life of the portfolio stood at 11.1 years.

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.

GC net income after tax stood at EUR 16 million in 2023, compared to EUR 118 million in 2022.

## *7.7. Post-balance sheet events*

***Dividend***

The Board of Directors of 21 March 2024 has proposed to the General Assembly of 24 April 2024 an ordinary dividend of EUR 440.3 million in respect of the accounting year 2023, based on a pay-out ratio of 40% on the consolidated 2023 net result, which was approved by the General Assembly of 24 April 2024.

***Capital and liquidity management***

To optimise its capital structure and to support its liquidity diversification, Belfius issued:

- EUR 500 million of Non Preferred Senior notes in January 2024 with a maturity in January 2029;
- EUR 500 million of Belgian Mortgage Pandbrieven with a 7-year maturity in February 2024; and
- EUR 500 million of Tier 2 notes in March 2024, with a maturity in 2035 and call date in 2030.

## *7.8. Risk Management*

***Fundamentals of credit risk in 2023***

Individuals

Due to a challenging macroeconomic environment, with moderate inflation and higher interest rates, the 2023 mortgage lending production saw a 30% decrease compared to the previous years. Nonetheless, the current mortgage portfolio increased from a FEAD of EUR 41.9 billion at the end of 2022 to EUR 43 billion in 2023.

Belfius was largely compliant with the NBB expectations set in 2019 regarding newly originated loans. The share of loans with LTV>90% remained relatively stable at 13.7%, while the loans with both an LTV>90% and a DSTI>50% represented 3% of the total 2023 production, well below the 5% threshold. Despite rising maturities and due to significantly larger interest payments, DSTI values were on average higher in 2023 compared to 2022.

Similar to last year, Belfius continued to monitor its mortgage portfolio for signs of deterioration. The negative impact of rising energy costs and inflation remained rather limited, mainly due to government energy subsidies as well as (partial) automatic wage indexations. A limited number of clients requested deferrals on capital payments in the context of the 2022 Febelfin initiative which ended in March of 2023. The volume of forborne mortgages decreased from EUR 419 million in 2022 to EUR 346 million in 2023 as a result of a large outflow of Covid-19 loans, more than compensating for the inflow related to higher energy costs.

Despite challenges posed by the current macroeconomic environment, the portfolio of mortgages performed well. Both the PD level and the NPL ratio of this portfolio remained stable at around 0.5% and 0.3%, respectively. The share of newly originated fixed-rate interest rate mortgages remained high at 99%, reducing the impact of rising interest rates on the performance of these loans.

Similarly to mortgages, consumer loans experienced a slowdown in production growth compared to 2022. The FEAD amounted to EUR 5.7 billion at the end of 2023, an increase of 3.7% compared to 2022. The average PD decreased from 0.8% in 2022 to 0.7% in 2023. However, the NPL ratio slightly worsened, rising from 2.3% at the end of 2022 to 3.0% a year later. The opposite movement of these two risk indicators can be attributed to a single large file that transitioned from performing to non-performing loan.

Entrepreneurs & Enterprises (E&E)

The economic environment remains challenging. Business confidence is showing some volatility, driven by variable energy prices, continued pressure on margins, a reduced potential for pass-through of higher costs, and higher interest rates, all within an ongoing search for a new normal. Some prudent signs of economic stabilisation are visible: inflation pressure has dropped significantly, supply chain issues have been resolved, and the labour market tightness has slightly softened. While most companies appear rather resilient, building cash buffers and maintaining investment plans (mainly to boost productivity through digitisation and automation) and workforce, for a growing part, the economic situation seems to be at a turning point. Geopolitical circumstances currently do not create a significant negative economic impact but are adding uncertainty in case nearby war conflicts were to spread to other countries.

These general observations hide sectoral differences. Fundamentals for the manufacturing industry remain weak, especially for high energy-intensive activities, but are stabilising after a period of softening demand because consumers have increasingly become cost-conscious. A notable exception in this segment is the construction and building materials sector, suffering heavily from the important cool-down of the real estate (development) market driven by the combination of higher construction costs and higher interest rates. On the other side of the spectrum, the services industry still has a positive drive, mainly in a B2B context, but has slowed down as well in real estate-related activities and retail trade (due to falling demand).

This mixed view is visible in the overall portfolio monitoring of Belfius' E&E loan portfolio, amounting to EUR 62.2 billion at the end of 2023:

- overall credit quality in the E&E segment is stable (average PD of 1.64% end 2023 compared to 1.58% end 2022) but with increasing watchlist volumes and, in the SME segment, also rising PD and NPL levels;
- production, especially in Corporate Banking, continued to be very dynamic with high credit quality driven by good rated large tickets while increasing concentration to some extent;
- the credit quality of the Commercial Real Estate portfolio showed a stable pattern but with attention points in the development sector and on smaller, less diversified, projects;
- bankruptcies are gradually returning to pre-Covid levels but with regional and sectoral differences with a more pronounced growth in the sectors construction, transportation, and hospitality and catering industry.

The Covid-19 pandemic and the war in Ukraine caused a significant increase in the price of construction materials. This was followed by an increase in interest rates. As a result, the real estate values came under pressure, financing conditions became more difficult and expensive, and real estate companies have been confronted with refinancing needs at higher costs. At the same time, the cash flows generated by their projects and asset disposals became more complicated. Sales to individuals are running less smoothly because rising interest rates are affecting their overall budget capacity. Institutional investors, such as insurers and pension funds, shun real estate as they have new alternatives such as bonds. Property developers are thus forced to look for other ways to reduce their cash outflows and costs in anticipation of a new interest rate equilibrium.

Taking into account the uncertainty about the construction and commercial real estate outlook, a fundamental reassessment of these sectors was performed in 2023, both from a concentration point of view and from an overall risk perspective. The deep dive analysis confirmed the fundamental credit quality of the portfolio but additional guidance has been given to cover for the increasing risk profile of smaller projects and individual concentrations.

The EU Green Deal has started to create full awareness of ESG in all economic activities. E&E clients are accompanied by Belfius, a.o. through the Corporate Ambition programme, to implement a sustainable transition. In addition, the integration of ESG aspects in the credit granting process is accelerating, capitalising on the building blocks that have been implemented earlier.

Public sector clients

Belfius' loan portfolio for the Public & Social sectors amounted to a FEAD of EUR 36.1 billion at the end of 2023, contributing to the diversification of Belfius' global loan portfolio. Overall, the public and social sector kept showing high credit standards and maintained its historically low risk profile, characterised by an average PD of 0.17% and an NPL ratio of 0.03%. However, this sector continues to face a number of challenges.

Belgian cities and municipalities had to deal with inflation peaking at 12.3% in October 2022. Although this figure has dropped drastically since then, to 1.35% last December, its effects have been felt strongly. Three factors were of particular concern. Firstly, general expenditure and interest payments rose sharply. Secondly, wages increased due to indexation, which is connected to inflation. Thirdly, energy bills more than doubled while the cost of building materials rose as well, putting pressure on public investments. A positive point can be found in the unexpected rise of municipal revenues due to the fact that some municipal income sources (taxes, funds, allowances) are also subject to indexation mechanisms.

All in all, these developments have potential impacts on the financial stability of municipalities. In spite of budgets generally being balanced, financial reserves have steadily decreased since 2020. Rising public debt levels will therefore hamper the ability of (local) authorities to react effectively in case of economic shocks, as was the case, for instance, during the COVID 19 pandemic. Regarding the performance of the Belgian Regions and Communities, the situation remains challenging as well, prompting Belfius to lower the outlook for some of these entities.

In addition, some necessary long-term expenditures will limit the space for budgetary manoeuvring for the public sector. Geopolitical risks may require higher investments in national security, and high energy costs have impaired the economic competitiveness of Europe since the start of the Russian invasion of Ukraine. Large investments are required with regard to infrastructure (rail, roads etc.), the energy transition and climate adaptation. Moreover, the

Belgian Federal Planning Bureau forecasts the costs of the ageing population to outpace economic growth until 2050, when social expenditure is expected to peak at 30.1% of Belgian GDP. Furthermore, the lack of clarity regarding the fiscal reform will persist until at least the federal elections of June 2024.

Consequently, the National Bank of Belgium warns that the current federal budget might not be sustainable for the future, as it will push the deficit above 5% in 2026, while national debt would be around 110% of GDP in that same year. On a positive note, economic growth levels will remain healthy, amounting to 1.5% for 2023. The labour market continues to be robust, albeit tight.

Similar to the cities and municipalities, the Belgian hospitals were confronted with a sharp rise in energy and personnel costs, the latter due to indexation in an inflationary environment.

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 (with dedicated limits for Belfius Bank and Belfius Insurance) 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.

*Exposures to credit risk*

Breakdown of credit risk by counterparty:

| (FEAD[31], in EUR billion) | 31 December 2022 | 31 December 2023 |
|---|---|---|
| Central governments | 37.2 | 30.9 |
| Public sector entities | 41.1 | 40.6 |
| Corporate | 50.9 | 54.3 |
| Project finance | 2.3 | 2.4 |
| Retail | 61.7 | 63.0 |
| Financial institutions | 11.9 | 12.1 |
| Other[32] | 3.9 | 4.4 |
| **Total** | **209.1** | **207.7** |

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 at 31 December 2023, the total credit risk exposure within Belfius amounted to EUR 207.7 billion, a decline of EUR -1.4 billion or -0.65% compared to the end of 2022.

[31] Full Exposure At Default.

[32] 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.

This decline is attributable to the banking activity (by EUR 1.5 billion), slightly offset by the increase for Belfius Insurance (by EUR 166 million).

The decline by EUR -6.4 billion observed on the segment central governments is mostly due to the reduction of liquidity reserves deposited at the NBB. In terms of government bonds, the exposure has slightly increased on the bank side (by EUR 77 million), while remaining stable for Belfius Insurance year-on-year. Nearly half (46%) of the government bonds portfolio is invested in Belgian government bonds at the Group level. While at bank level the Belgian government bonds represents 41% of the total government bond portfolio, the relative proportion at Belfius Insurance stood at 49%.

The credit risk exposure on individuals, self-employed and SMEs (30.3% of the total) and corporates (26% of the total) constitute the two main categories. The exposure on those categories increased by EUR 1.3 billion and EUR 3.3 billion respectively, reflecting Belfius' strategy to support the Belgian economy.

The credit risk exposure on public sector entities and institutions that are guaranteed by these public sector entities declined further in 2023 by EUR -0.5 billion.

Belfius' positions are mainly concentrated in the European Union: 95% or EUR 183.0 billion at bank level and 95% or EUR 14 billion for Belfius Insurance. The total credit risk exposure in Belgium is 86%, 3.4% in France and 2.5% in the United Kingdom, 1.3% in the United States and Canada, 1.2% in Luxemburg, 0.9% in Spain, 0.7% in Germany and 0.6% in Italy. The increase in the total credit risk exposures for Belgium (74% to 86% year-on-year) is explained by the reclassification of the deposits at central bank from Other EU countries to Belgium.

The credit risk exposure to counterparties in the United Kingdom amounted to EUR 5.1 billion, a slight increase of EUR 124 million from the last year. About 60% of this credit risk exposure concerns bonds, of which close to two-third are inflation-linked, issued by utilities and infrastructure companies in the United Kingdom that operate in regulated sectors such as water, gas and electricity distribution. These bonds are of good credit quality, and moreover most of the outstanding bonds are covered with a credit protection issued by a credit insurer with a sound rating that is independent from the bond issuer. The remainder concerns the bond portfolio of Belfius Insurance, a short-term credit portfolio for treasury management of Belfius Bank and receivables on clearing houses. The credit risks of these portfolios are also of good credit quality.

At the end of December 2023, 76% of the total credit risk exposure had an investment grade (IG) internal credit rating.

*Asset quality*

At the end of 2023, the amount of impaired loans on a consolidated basis amounted to EUR 2,259 million, an increase of +11.5% compared to year-end 2022. During the same period, the gross outstanding loans to customers increased by +4.1% and amounted to EUR 115,778 million at the end of 2023. As a consequence, the asset quality ratio amounted to 1.95% at the end of 2023. The stage 3 impairments increased by 4.8% and amount to EUR 1,266 million. The coverage ratio on impaired loans is 56.0%, compared to 59.6%. The decrease is mainly explained by a number of new defaulted files with strong collateral and recovery perspectives combined with reversals on existing files in default and the write-off of files with a high coverage without material additional impairment.

*Liquidity risk*

During 2023, Belfius consolidated its diversified liquidity profile by:

- maintaining a funding surplus within the commercial balance sheet;
- increasing diversified long-term funding from institutional investors;
- collecting short and medium-term (CP/CD/EMTN) deposits from institutional investors;
- issuing ECB eligible retained covered bonds.

The participation of Belfius Bank in the ECB TLTRO III funding programme for an amount of EUR 15.7 billion was reduced to EUR 6 billion end of 2022. In June 2023 another EUR 3.3 billion was repaid, and in December

2023 another EUR 1.3 billion was repaid. This leads to a residual funding through TLTRO of EUR 1.4 billion, that will expire in March 2024.

Belfius Bank closed the year 2023 with a 12-month average LCR of 139%. This decrease since end of December 2022 (173%), is mainly explained by the repayment of the TLTRO, the outflows of commercial deposits due to the 1 year Belgian government bond, and a continued strong growth in commercial loans. The high quality liquid assets (HQLA) end of December 2023 are composed of 69% Level 1 cash, 27% Level 1 bonds, 3% Level 2A bonds and 1% Level 2B bonds.

The Net Stable Funding Ratio (NSFR), based on the binding CRR2 rules and calculated according to EBA templates, stood at 128% at year-end 2023, a decrease also explained by the repayment of the TLTRO, outflows of commercial deposits to the Belgian government bond and continued growth in commercial loans.

*Minimum requirement for own funds and eligible liabilities (MREL)*

On 15 December 2023, the NBB notified Belfius that going forward it has to execute the SRB MREL instruction regarding the minimum requirement 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 7.07% of Leverage Ratio Exposure (LRE).

Belfius Bank must meet the target no later than 1 January 2024 and must provide for a linear build-up of equity and eligible liabilities towards the requirement. The SRB also determined an intermediate target of 22.37% of TREA and 6.84% of LRE which had to be met by 1 January 2022.

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 4.40% of TREA for Belfius currently) are not eligible to meet the requirements expressed in TREA. Belfius Bank must comply with this subordination requirement by 1 January 2024, subject to an intermediate target of 15.21% of TREA and 6.84% of LRE by 1 January 2022.

Belfius already meets its expected BRRD2 MREL requirements end 2023. Indeed, expressed in TREA, Belfius MREL realised of EUR 20.2 billion amounts 29.02% to be compared with 28.15% of the 2024 final binding target (including CBR).

In the same way, Belfius MREL subordination of EUR 15.1 billion amounts 21.79% of TREA to be compared with 19.61% of the binding target (including CBR). Expressed in LRE, Belfius MREL subordination of 8.56% stands in excess of 7.07% MREL requirement.

*Liquidity reserves*

At the end of 2023, Belfius Bank had available liquidity reserves of EUR 45.1 billion.These reserves consisted of EUR 20.2 billion in cash, EUR 8.8 billion in ECB eligible bonds and EUR 16.1 billion in other assets also eligible at the ECB (of which EUR 10.9 billion in bank loans and EUR 5.3 billion in retained bonds).

These available liquidity reserves represent 7.1 times Belfius Bank’s institutional funding outstanding at the end of 2023 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. Belfius also continues to participate in TLTRO, for which assets are pledged as collateral. Finally, a 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.

Belfius Bank 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 collateral pledged (gross of collateral received) for the derivatives exposures under the form of cash or securities and to the collateral posted for the TLTRO funding. A significant part of collateral pledged is financed through collateral received from other counterparties with whom Belfius Bank concluded derivatives in the opposite direction. The exceptional drawing on the TLTRO III, allowing Belfius to generate additional P&L and capital in order to sustain the Belgian economy, has led to a higher-than-normal Asset Encumbrance Ratio. However, in 2023, Belfius Bank repaid partially the TLTRO III for an amount of EUR 4.6 billion and net cash collateral position slightly deteriorated with EUR 0.3 billion.

At year end 2023 (point-in-time), the sources of asset encumbrance (matching liabilities) mainly consisted of:

- own covered bonds issued (EUR 6.8 billion);
- TLTRO (EUR 1.4 billion);
- derivatives exposures (EUR 3.7 billion);
- repurchase agreements (EUR 1.4 billion).

### *7.9. Ratings*

Between 1 January 2023 and 21 March 2024, rating agencies took the following decisions:

- on 28 June 2023, S&P confirmed Belfius Bank's long-term rating at A with Stable outlook;
- on 7 July 2023, Moody's affirmed Belfius Bank's long-term rating at A1 and changed the outlook to Positive from Stable;
- on 13 July 2023, Fitch affirmed Belfius Bank's long-term rating at A- with Stable outlook;
- on 27 December 2023, Moody's affirmed Belfius Bank's long-term rating at A1 with outlook Positive;
- on 28 December 2023, S&P confirmed Belfius Bank's long-term rating at A with Stable outlook.

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

| | **Stand-alone rating (*)** | **Long-term rating** | **Outlook** | **Short-term rating** |
|---|---|---|---|---|
| Fitch | A- | A- | Stable | F1 |
| Moody's | Baa1 | A1 | Positive | Prime-1 |
| Standard and Poor's | A- | A | Stable | A-1 |

(*) *Intrinsic creditworthiness*

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.

## *7.10. Other information*

***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.

***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.

***Recent events***

Other than as stated 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.

## *7.11. 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 not[33]. 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.

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

***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).

*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 Chairman 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.

*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. 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.

*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. To date, a total of 13,678 Arco shareholders have joined this procedure. ArcoClaim vzw also joined the procedure for one of its members.

A procedural calendar has been determined, with a relay hearing (to determine when pleadings can take place) on 10 December 2027. The parties have agreed that the procedural calendar will first focus on the admissibility of the claims. Only after the admissibility evaluation should another procedural calendar be determined for the evaluation of the substantive merits of the claims (only and insofar as any claim would be deemed admissible).

***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 Belfius Bank's head office in the framework of the Belgian "Panama Papers" Parliamentary Commission. Belfius Bank 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.

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

On 12 November 2020, public prosecution has been initiated, a.o. 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.

## *7.12. Management and Supervision of Belfius Bank*

### *7.12.1. 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 |
| 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.

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 Code of Companies and Associations 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.

***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 (which will become nineteen members as from 30 April 2025), 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<br>(Independent Director) | none |
| Marc Raisière | Chair of the Management Board | none |
| Marianne Collin | Member of the Management Board<br>Chief Risk Officer<br>Responsible for Risk Management and Compliance | none |
| Camille Gillon | Member of the Management Board<br>Chief Transformation Officer | none |
| Dirk Gyselinck | Member of the Management Board<br>Responsible for Wealth, Enterprises, Public, Financial Markets and Customer Loan Services | none |
| Olivier Onclin | Member of the Management Board<br>Responsible for Private, Business & Retail Banking and Customer Transaction Services | none |

| Name | Position | Significant other functions performed outside Belfius Bank |
|---|---|---|
| Bram Somers | Member of the Management Board<br>Chief Technology Officer | none |
| Johan Vankelecom | Member of the Management Board<br>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<br>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 (subject to the approval of the regulator) | 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 |

| Name | Position | Significant other functions performed outside Belfius Bank |
|---|---|---|
| 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 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.

**7.12.2. 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 and Belfius Insurance |
| 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. 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;

- periodically, and at least annually, assesses the structure, size, composition and performance of the Board of Directors and makes recommendations to it with regard to any changes;
- periodically assesses the knowledge, skills, experience, degree of involvement and in particular the attendance of members of the Board of Directors and advisory committees, both individually and collectively, and reports to the Board of Directors accordingly;
- periodically reviews the policies of the Board of Directors for selection and appointment of members of the Management Board, and makes recommendations to the Board of Directors;
- prepares proposals for the appointment or mandate renewal, as the case may be, of directors, members of the Management Board, the 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 problems with the succession of directors and members of the Management Board;
- establishes a general and specific profile for directors and members of the Management Board;
- ensures the application of provisions with regard to corporate governance;
- 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;
- at least annually 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 and Belfius Insurance |
| 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<br>Director of Belfius Bank |
| Colette Dierick | Member<br>Director of Belfius Bank |
| Hélène Goessaert | Member<br>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 (as from the approval of Colette Dierick's appointment as Chair of the Risk Committee by the regulator) | Chair<br>Director of Belfius Bank |
| Estelle Cantillon | Member<br>Director of Belfius Bank |
| Hélène Goessaert | Member<br>Director of Belfius Bank |
| Georges Hübner | Member<br>Director of Belfius Bank |
| Rudi Vander Vennet | Member<br>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<br>Chair of the Board of Directors of Belfius Bank |
| Colette Dierick | Member<br>Director of Belfius Bank |
| Olivier Gillerot | Member<br>Director of Belfius Bank |

| Name | Position |
|---|---|
| Jean-Michel Kupper | Member<br>Director of Belfius Insurance |
| Stephan Slits | Member<br>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<br>Director of Belfius Bank |
| Daniel Falque | Member<br>Director of Belfius Bank and Belfius Insurance |
| Peter Hinssen | Member<br>Director of Belfius Bank |
| Céline Azizieh | Member<br>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 maximize 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<br>Chair of the Board of Directors of Belfius Bank |
| Marc Raisière | Member<br>Chair of the Management Board of Belfius Bank |
| Julie Uytterhaegen | Member<br>Head of People, Brand & Communication |
| Bénédicte Bouton | Member<br>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.

### *7.13. Selected Financial Information*

The following tables summarise the consolidated balance sheet and, income statement of Belfius Bank for the period ending 31 December 2022 and 31 December 2023.

## 1. Consolidated Balance Sheet

| | Notes | 31 December 2023 IFRS 9 | 31 December 2022 IFRS 9 |
|---|---|---|---|
| Assets | | *(in thousands of EUR)* | |
| **Cash and balances with central banks** | 5.2 | **20,487,140** | **27,295,434** |
| **Loans and advances due from credit institutions** | 5.3 | **5,274,249** | **4,143,601** |
| Measured at amortised cost | | 5,274,249 | 4,143,601 |
| Measured at fair value through other comprehensive income | | 0 | 0 |
| Measured at fair value through profit or loss | | 0 | 0 |
| **Loans and advances** | 5.4 | **114,531,169** | **110,203,251** |
| Measured at amortised cost | | 109,761,695 | 109,236,114 |
| Measured at fair value through other comprehensive income | | 4,181,197 | 171,152 |
| Measured at fair value through profit or loss | | 588,277 | 795,986 |
| **Debt securities & equity instruments** | 5.5 | **27,923,609** | **26,996,656** |
| Measured at amortised cost | | 13,521,835 | 17,494,927 |
| Measured at fair value through other comprehensive income | | 8,718,772 | 4,040,914 |
| Measured at fair value through profit or loss | | 1,506,789 | 1,490,882 |
| Measured at fair value through profit or loss - unit linked | | 4,176,214 | 3,969,934 |
| **Derivatives** | 5.6 | **5,321,426** | **5,893,105** |
| **Gain/loss on the hedged item in portfolio hedge of interest rate risk** | 5.6 | **1,608,587** | **1,134,326** |
| **Assets from insurance/reinsurance contracts** | 6.5 | **97,806** | **116,103** |
| Insurance contracts assets | | 0 | 0 |
| Reinsurance contracts assets | | 97,806 | 116,103 |
| **Investments in equity method companies** | 5.7 | **161,533** | **94,019** |
| **Tangible fixed assets** | 5.8 | **1,864,571** | **1,672,048** |
| **Intangible assets** | 5.9 | **326,957** | **236,639** |
| **Goodwill** | 5.10 | **103,966** | **103,966** |
| **Tax assets** | 5.11 | **494,585** | **397,324** |
| Current tax assets | | 43,356 | 27,115 |
| Deferred tax assets | | 451,229 | 370,209 |

| | Notes | 31 December 2023 IFRS 9 | 31 December 2022 IFRS 9 |
|---|---|---|---|
| Assets | | *(in thousands of EUR)* | |
| **Other assets** | 5.12 | **967,171** | **741,993** |
| **Non current assets (disposal group) held for sale and discontinued operations** | 5.13 | **16,582** | **39,684** |
| **Total assets** | | **179,179,352** | **179,068,150** |

| | Notes | 31 December 2023 IFRS 9 | 31 December 2022 IFRS 9 |
|---|---|---|---|
| Liabilities | | *(in thousands of EUR)* | |
| **Cash and balances from central banks** | 6.1 | **1,430,190** | **5,904,113** |
| **Credit institutions borrowings and deposits** | 6.2 | **3,912,390** | **1,869,641** |
| Measured at amortised cost | | 3,912,390 | 1,869,641 |
| Measured at fair value through profit or loss | | 0 | 0 |
| **Borrowings and deposits** | 6.3 | **104,000,435** | **108,447,486** |
| Measured at amortised cost | | 103,980,476 | 108,427,536 |
| Measured at fair value through profit or loss | | 19,959 | 19,951 |
| **Debt securities issued and other financial liabilities** | 6.4 | **36,017,933** | **29,898,501** |
| Measured at amortised cost | | 23,603,069 | 18,517,096 |
| Measured at fair value through profit or loss | | 8,238,650 | 7,411,471 |
| Measured at fair value through profit or loss - unit linked | | 4,176,214 | 3,969,934 |
| **Derivatives** | 5.6 | **7,229,432** | **8,248,509** |
| **Gain/loss on the hedged item in portfolio hedge of interest rate risk** | 5.6 | **-1,029,463** | **-1,606,023** |
| **Liabilities from insurance/reinsurance contracts** | 6.5 | **11,405,090** | **10,894,869** |
| Insurance contracts liabilities | | 11,405,090 | 10,894,869 |
| Reinsurance contracts liabilities | | 0 | 0 |
| **Provisions and contingent liabilities** | 6.6 | **485,860** | **493,922** |
| **Subordinated debts** | 6.7 | **1,777,995** | **1,547,204** |
| Measured at amortised cost | | 1,777,995 | 1,547,204 |
| Measured at fair value through profit or loss | | 0 | 0 |
| **Tax liabilities** | 5.11 | **52,521** | **72,251** |
| Current tax liabilities | | 45,520 | 63,014 |
| Deferred tax liabilities | | 7,001 | 9,237 |
| **Other liabilities** | 6.8 | **1,677,607** | **1,387,731** |

| | Notes | 31 December 2023 IFRS 9 | 31 December 2022 IFRS 9 |
|---|---|---|---|
| **Liabilities included in disposal group and discontinued operations** | | **0** | **0** |
| **Total liabilities** | | **166,959,989** | **167,158,206** |

| | Notes | 31 December 2023 IFRS 9 | 31 December 2022 IFRS 9 |
|---|---|---|---|
| **Equity** | | *(in thousands of EUR)* | |
| Subscribed capital | | 3,458,066 | 3,458,066 |
| Additional paid-in capital | | 209,232 | 209,232 |
| Treasury shares | | 0 | 0 |
| Reserves and retained earnings | | 6,709,420 | 6,176,745 |
| Net income for the period | | 1,114,538 | 931,771 |
| **Core shareholders' equity** | | **11,491,257** | **10,775,814** |
| Fair value changes of debt instruments measured at fair value through other comprehensive income | | -353,149 | -221,928 |
| Fair value changes of equity instruments measured at fair value through other comprehensive income | | 195,452 | 136,944 |
| 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 |
| Fair value changes of derivatives following cash flow hedging | | -128,839 | -112,644 |
| Remeasurement pension plans | | 125,752 | 119,933 |
| Total insurance/reinsurance finance component recognised in other comprehensive income | | 353,669 | 679,972 |
| Other reserves | | 208 | 208 |
| **Gains and losses not recognised in the statement of income** | | **193,093** | **602,485** |
| **Total shareholders' equity** | | **11,684,350** | **11,378,300** |
| Additional Tier-1 instruments included in equity | | 497,083 | 497,083 |
| Non-controlling interests | | 37,929 | 34,561 |
| **Total equity** | | **12,219,362** | **11,909,944** |
| **Total liabilities and equity** | | **179,179,352** | **179,068,150** |

## 2. Consolidated Statement of Income

| | Notes | 31 December 2023 IFRS 9 | 31 December 2022 IFRS 9 |
|---|---|---|---|
| | | *(in thousands of EUR)* | |
| Interest income | 7.1 | 6,868,486 | 3,719,383 |
| Interest expense | 7.1 | -4,442,285 | -1,640,573 |
| Fee and commission income | 7.2 | 980,274 | 987,430 |
| Fee and commission expenses | 7.2 | -201,362 | -214,636 |
| Insurance service result | 7.3 | 277,509 | 95,048 |
| Insurance revenue | | 1,186,641 | 1,084,919 |
| Insurance service expenses | | -880,000 | -1,004,554 |
| Net expenses from reinsurance contracts | | -29,132 | 14,684 |
| Insurance finance result | 7.3 | -238,664 | -197,857 |
| Insurance finance result | | -241,007 | -199,892 |
| Reinsurance finance result | | 2,343 | 2,035 |
| Dividend income | 7.4 | 57,285 | 71,611 |
| Net income from equity method companies | 7.5 | 7,527 | 3,993 |
| Net income from financial instruments at fair value through profit or loss | 7.6 | 53,527 | 24,822 |
| Net income on investments and liabilities | 7.7 | -7,211 | 56,401 |
| Other income | 7.8 | 419,368 | 378,184 |
| Other expenses | 7.9 | -633,566 | -561,547 |
| **Income** | | 3,140,888 | 2,722,259 |
| Staff expenses | 7.10 | **-678,835** | **-608,177** |
| General and administrative expenses | 7.11 | -517,426 | -478,875 |
| Network costs | | -224,464 | -216,599 |
| Depreciation and amortisation of fixed assets | 7.12 | -117,440 | -113,791 |
| **Expenses** | | **-1,538,166** | **-1,417,441** |
| **Net income before tax and impairments** | | **1,602,722** | **1,304,818** |
| Impairments on financial instruments and provisions for credit commitments | 7.13 | -109,211 | -105,413 |
| Impairments on tangible and intangible assets | 7.14 | -855 | -2,049 |
| Impairments on goodwill | 7.15 | 0 | 0 |
| **Net income before tax** | | **1,492,656** | **1,197,356** |
| Current tax (expense) income | | -304,968 | -266,896 |
| Deferred tax (expense) income | | -70,897 | 2,492 |
| **Total tax (expense) income** | 7.16 | **-375,865** | **-264,403** |
| **Net income after tax** | | **1,116,791** | **932,952** |
| Discontinued operations (net of tax) | | 0 | 0 |

| | Notes | 31 December 2023 IFRS 9 | 31 December 2022 IFRS 9 |
|---|---|---|---|
| | | *(in thousands of EUR)* | |
| **Net income** | | **1,116,791** | **932,952** |
| Attributable to non-controlling interests | | 2,252 | 1,181 |
| Attributable to equity holders of the parent | | 1,114,538 | 931,771 |

# 8. TERMS AND CONDITIONS OF THE NOTES

(Annex 14.4 of Commission Delegated Regulation (EU) 2019/980)

The following is the text of the terms and conditions (the "**Terms and Conditions**", each chapter or subchapter individually referred to as "**Condition**") of the Notes, 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 Programme, 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 Notes are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

Bearer Notes are issued under an agency agreement dated the date of this Base Prospectus (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), referred to as the "**Agency Agreement**", see Annex 4), between Belfius Financing Company as Issuer, Belfius Bank and Banque Internationale à Luxembourg, where relevant.

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

To the extent applicable, the Issuers and the Calculation Agent undertake to comply with Book VI of the Belgian Code of Economic Law in respect of Notes issued under the Programme and placed in the framework of a public offer in Belgium. For this purpose, a public offer has the meaning set forth in Article 2 of the Prospectus Regulation.

In accordance with Articles VI.82 to VI.84 of the Belgian Code of Economic Law, the Issuers or the Calculation Agent may only make a unilateral modification of a product if the following four 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 (see the events listed under "Potential Adjustment Events" and "Extraordinary Events");

(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 Noteholders. The Issuer must take all measures and make every effort to continue the product under similar circumstances;

(iii) no costs are charged to the Noteholder; and

(iv) the contract term must be drawn up in a plain and intelligible manner.

Furthermore, the redemption features provided by section 8.5.3. ("Redemption at the option of the Issuer") of this Base Prospectus, which will be further specified in the Final Terms of each Series, are deemed to be the principal object of the contract within the meaning of Article VI.82 of the Belgian Code of Economic Law. The other early redemption features of the Notes provided by this Section 8 (as described under sections 8.7.2.3. *Potential Adjustment Events*, 8.7.2.4. *Extraordinary Events*, 8.7.3.1. *Terms applicable irrespective of whether an Index is*

*Multiple Exchange or not*, 8.7.4.2. *Potential Adjustment Events*, 8.7.4.3. *Extraordinary Events*, 8.7.5.2. *Market Disruption*, 8.7.6.2. *Commodity Index Event*, and 8.7.7.2. *Events affecting the Index*) are only possible (i) as a consequence of events of force majeure or other events which significantly modify the economy of the Note and for which the Issuer is not responsible (the repayment will then, (a) in the case of force majeure or in the case of Notes without capital protection, be at least at market value without charging additional costs to the consumer or (b) in the case of capital protected Note, Monetization (as defined below) or buy back at market value) (ii), except in the case of force majeure, the Issuer is required to indemnify the Noteholder for the loss suffered by the Noteholder because of the early redemption; (iii) no costs are charged to the noteholder and (iv) no deduction of any costs whatsoever is allowed and a *pro rata* refund of the costs already borne by the investor (in the proportion (total initial term minus elapsed period)/total initial term), must be provided for. The Terms and Conditions allow for the substitution of the Issuer provided that the conditions listed in section 8.16 are met.

Besides these early redemption features, the following sections relate to situations in which certain features of the Notes may be modified: 8.7.2.3. *Potential Adjustment Events*, 8.7.2.4. *Extraordinary Events*, 8.7.3.1. *Terms applicable irrespective of whether an Index is Multiple Exchange or not*, 8.7.3.2. *Terms applicable to an Index that is not Multiple Exchange,* 8.7.4.2. *Potential Adjustment Events*, 8.7.4.3. *Extraordinary Events*, 8.7.5.2. *Market Disruption*, 8.7.6.2. *Commodity Index Event*, and 8.7.7.2. *Events affecting the Index*.

In the case of a Note without capital protection, 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 Note. "**Fair Market Value**" means the valuation using (i) the most relevant available market data or market quotation, or, (ii) if no such relevant data or quotation may be found at the relevant time, a valuation mathematical model generally accepted in the financial sector.

In the case of a capital protected Note, the Issuer opts for the Monetization of the relevant Notes. "**Monetization**" means that the underlying financial structure (derivative component) of a capital protected Note will be unwound at its market value and added to the bond component. The Fair Market Value of the Note, consisting of the Fair Market Value of both the bond and the derivative component, will be capitalized at least up to the protected level (Fair Market Value means the valuation using (i) the most relevant available market data or market quotation, or, (ii) if no such relevant data or quotation may be found at the relevant time, a valuation mathematical model generally accepted in the financial sector). In case of such Monetization of the Note, the Noteholders will always have the right, as an alternative to the Monetization, to sell the Note to the Issuer or to an agent appointed by the Issuer at market value. In any case of early redemption (for capital protected Notes as well as for Notes without capital protection), but not in the case of Monetization, no deduction of any costs will be applied and the costs already borne by the Noteholders will be refunded *pro rata temporis* to the Noteholders.

In these Terms and Conditions, the "**Noteholder**" means the person who has the Notes on his or her securities account in case of Notes in dematerialised or bearer form or the person who is included in the register of registered notes of Belfius Financing Company in case of Belfius Financing Company Notes in registered form.

Where these Terms and Conditions refer to any computation of a term or period of time, Article 1.7 of the Belgian Civil Code (*Burgerlijk Wetboek*/*Code Civil*) of 13 April 2019 (the "**Belgian Civil Code**") shall not apply to the extent inconsistent with these Terms and Conditions.

In these Terms and Conditions, any reference to any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated or replaced from time to time.

Any Condition may derogate either expressly or implicitly from applicable legal provisions. Even if there is no express derogation from a specific legal provision, the relevant Condition may still implicitly derogate from legal provisions (for instance by providing for a different contractual regime).

## 8.1. Form, Denomination and Title

### 8.1.1. Denomination

The Notes will be issued in the Denomination(s) specified in the relevant Final Terms and will have a Denomination of at least EUR 1,000.

### 8.1.2. Belfius Bank Notes

The Belfius Bank Notes are issued in dematerialised form via a book-entry system maintained in the records of the NBB as operator of the Securities Settlement System (NBB-SSS) in accordance with Article 7:35 and following of the Belgian Code of Companies and Associations and will be credited to the accounts held with the Securities Settlement System (NBB-SSS) by Belfius Bank, Euroclear, Clearstream, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Euroclear France, LuxCSD or other Securities Settlement System (NBB-SSS) participants for credit by Belfius Bank, Euroclear, Clearstream, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Euroclear France, LuxCSD or other Securities Settlement System (NBB-SSS) participants to the securities accounts of their subscribers.

Transfers of Belfius Bank Notes will be effected only through records maintained by the Securities Settlement System (NBB-SSS), Belfius Bank, Euroclear, Clearstream, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Euroclear France and LuxCSD or other Securities Settlement System (NBB-SSS) participants and in accordance with the applicable procedures of the Securities Settlement System (NBB-SSS), Euroclear, Clearstream, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Euroclear France and LuxCSD or other Securities Settlement System (NBB-SSS) participants.

The Belfius Bank Notes will not be physically delivered. They will be held in a securities account.

### 8.1.3. Belfius Financing Company Notes

The Belfius Financing Company Notes will be issued in dematerialised form, in registered form (*obligations nominatives/obligaties op naam*) or in bearer form, as specified in the relevant Final Terms, and will be governed by Belgian law.

The Belfius Financing Company Notes which are issued in dematerialised form will be represented by a book-entry in the records of the Securities Settlement System. Transfers of Belfius Financing Company Notes which are issued in dematerialised form will be effected only through records maintained by the Securities Settlement System (NBB-SSS), Belfius Bank, Euroclear, Clearstream, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Euroclear France and LuxCSD or other Securities Settlement System (NBB-SSS) participants and in accordance with the applicable procedures of the Securities Settlement System (NBB-SSS), Euroclear, Clearstream, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Euroclear France and LuxCSD or other Securities Settlement System (NBB-SSS) participants. The Belfius Financing Company Notes which are issued in dematerialised form will not be physically delivered. They will be held in a securities account.

The Belfius Financing Company Notes which are issued in registered form (*obligations nominatives/obligaties op naam*) will be issued pursuant to the applicable provisions of Articles 7:27 to 7:34 of the Belgian Code of Companies and Associations to the extent not deviated from by the Terms and Conditions of the Belfius Financing Company Notes.

The Belfius Financing Company Notes which are issued in bearer form will be represented by a Permanent Global Note, deposited with the common depositary for Euroclear and Clearstream Banking S.A. and will not be exchangeable for definitive notes.

## 8.2. Pay-Offs

**Introduction**

The pay-offs allowed in the Programme can be divided into six main categories in function of the calculation and payment of Interest (periodic or not), the calculation methodology of the amount paid at redemption of the Notes (the "**Redemption Amount**") (one calculation and payment at maturity, or a sum of periodic calculations paid at maturity) and the settlement of the Redemption Amount (cash or physical). These categories are:

- A. Structures with a periodic payment;
- B. Structures with one payment at maturity with cap;
- C. Structures with one payment at maturity without cap;
- D. Structures with a sum of periodic calculations and payment at maturity;
- E. Structures with a periodic payment and physical settlement; and
- F. Structures with an amortising redemption.

The formulas proposed below try to be general formulas meant to be used for a lot of different types of products. In accordance with the Prospectus Regulation, the Issuer can decide not to use some components of the formula by setting these components on 0 or 1 or not applicable. The Final Terms will specify which formula(s) will be used for a specific product issued and which specific parameters go into the formula. If a component of the formula is 0 or 1 or not applicable, and the respective component is not used for a specific issue of Notes, it is possible to render the formula in the Final Terms without the unapplied component(s).

The examples set out in this Condition 8.2 reference certain specified reference items as an "Underlying". These references are included for illustrative purposes only and are not intended to be exhaustive of what may constitute an "Underlying" in respect of a Series of Notes. This will be determined by reference to the relevant Market Rate, Share or Basket of Shares, Share Index or Basket of Share Indexes, Commodity Index or Basket of Commodity Indexes, Inflation Index, Fund or Basket of Funds) as specified in the relevant Final Terms.

# A. Structures with a periodic payment

The first category includes the products generating a periodic payment of Interest (fixed or variable) (the "**Periodic Payment**") and a Redemption Amount which can be equal or not to 100% of the capital invested less fees.

## Definition

The Periodic Payments can be calculated applying the next formula(s) [for n periods]:

$$Formula\ i = \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)$$

The Redemption Amount at Maturity (period n) can be calculated applying the next formula:

$$Formulai\ =\ Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right]$$

The Final Terms will specify the parameters (Participation Rate, X%, Y%) of the specific issue (see introduction). The Final Terms will also specify if a combination of more than one of these formulas is used. The Final Terms will furthermore specify:

1) How many periods (n) will be used and what formula relates to what period.
2) Which underlying (the **"Underlying"**) will be used to calculate the Performance (Market Rate, Share or Basket of Shares, Share Index or Basket of Share Indexes, Commodity Index or Basket of Commodity Indexes, Inflation Index, Fund or Basket of Funds) (as defined in the Final Terms).
3) Which sub formula will apply to calculate the Performance. This Performance can be:
   a) a single fixing
   b) a difference between 2 Underlyings: $Underlying_1 - Underlying_2$
   c) $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   d) $\frac{Initial\ Price - Final\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   e) $\frac{Final\ Price - Initial\ Price}{Final\ Price}$, with or without reset of Initial Price
   f) $\frac{Initial\ Price - Final\ Price}{Final\ Price}$, with or without reset of Initial Price
   g) $\frac{FinalPrice}{InitialPrice}$

   $\sum_{j=1}^{y} w_{i,j} \times max\left(U\%, min\left(\left(\frac{FinalPrice_j - InitialPrice_j}{InitialPrice_j}\right), Z\%\right)\right)$, with or without reset of the Initial Price.

   W means the weight of the Underlying. Y can be the number of Underlyings, or can be the number of periods.

   The Final Terms will also determine how the Final Price and Initial Price are defined. These can be one observation, an average of X observations, with a look-back feature (lowest/highest during a certain period).
4) If the structure can be called either by the Issuer at certain dates, or when the Underlying reaches a certain level at a certain date or during a certain period.
5) If the value of some parameters depends on the level of the Underlying at a certain date or during a certain period (=condition).
6) How the $Bonus_i$ is defined. The $Bonus_i$ can be
   a. a fixed rate
   b. a fixed rate subject to a condition on the Underlying
   c. a rate which is the result of a formula such as the formulas above.
   d. A rate which is the result of a sum of formulas such as the formulas above.
7) What the Participation Rate will be.
8) What the floor X% will be.
9) What the cap Y% will be.
10) What daycount convention has to be applied.

# Examples

## 1. Collared Floater (5 years, payment every 3 months)

***Definition:***

*In a Collared Floater, the Noteholder receives periodically a variable interest rate (linked to an Underlying). This rate is capped at a certain percentage (Y%) and floored at another level (X%). The Noteholder receives 100% of his invested capital at Maturity.*

***Product:***

*Periodic payments:*

| |
|---|
| 1. Periods: 20 |
| 2. Underlying: EURIBOR3months |
| 3. Performance will be a single fixing (subformula 3.a) is applicable). Fixing in advance (2 Business Days before start of the Interest Period) |
| 4. Not applicable |
| 5. Not applicable |
| 6. Bonus = 0% |
| 7. Participation Rate = 100% |
| 8. X% = 2.20% (annualized) |
| 9. Y% = 5.00% (annualized) |
| 10. Daycount: act/360, mod fol, adjusted |

The formula for the Periodic Payments will be

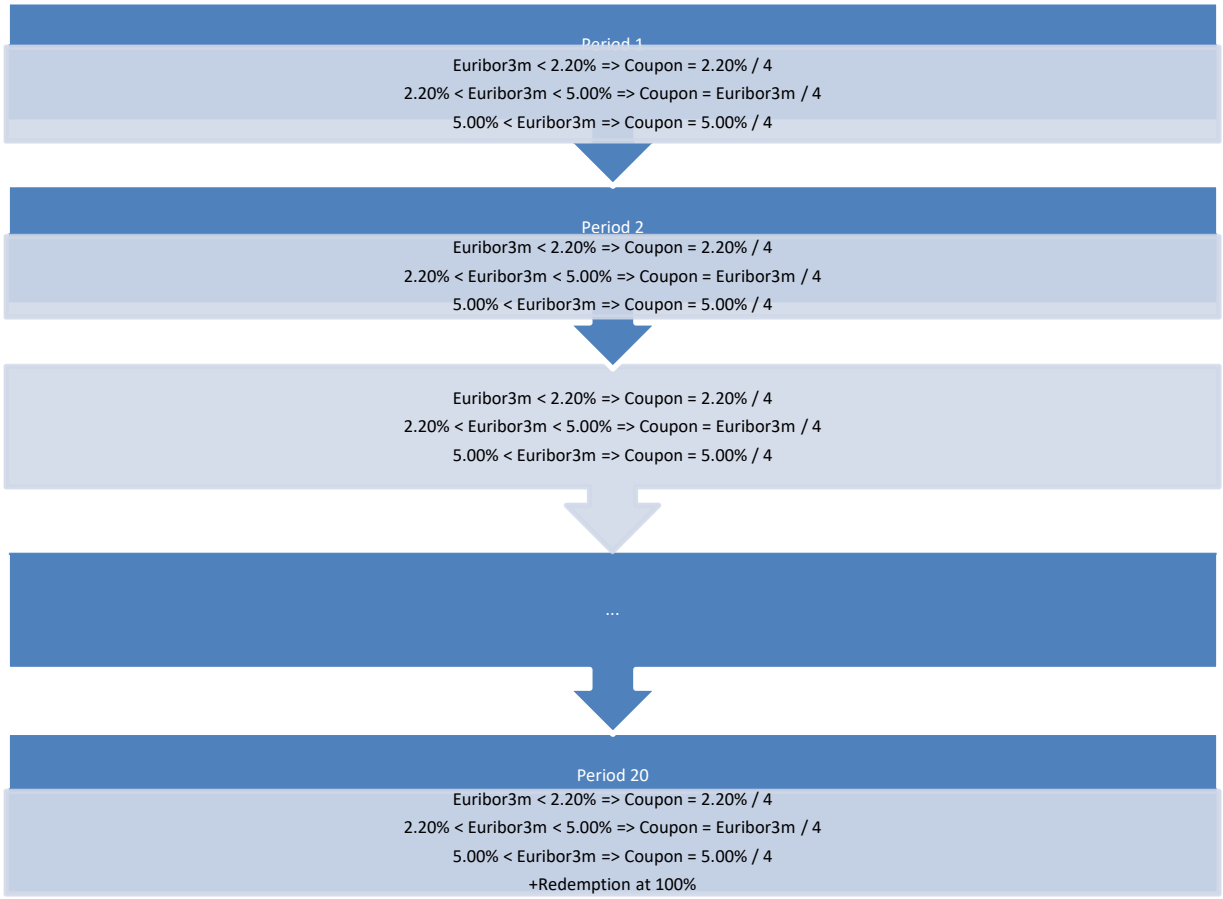
$$\left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)$$
$$= \left(100\% \times \max\left(2.20\%, min(Performance, 5.00\%)\right) + 0\%\right)$$

*Redemption Amount:*

| |
|---|
| 1. Not Applicable |
| 2. Underlying: EURIBOR3months |
| 3. Single fixing 2 Business Days before start of the Interest Period (subformula 3.a) is applicable). |
| 4. Not applicable |
| 5. Not applicable |
| 6. Bonus = 0% |
| 7. Participation Rate = 0% |
| 8. X% = 0% |
| 9. Y% = 0% |
| 10. No Daycount |

The formula for the Redemption Amount will be

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right]$$
$$= Denomination + \left[Denomination \times \left(0\% \times \max\left(0\%, min(Performance_i, 0\%)\right) + 0\%\right)\right]$$
$$= Denomination$$




Note: In the example above the amounts are divided by 4, but the day count convention is act/360. This division is done for simplification purposes.

For the purposes of this example, the terms "**EURIBOR3months**" and "**Euribor3m**" shall each be construed to mean "EUR-EURIBOR" with a Designated Maturity of 3 months, within the meaning of the 2021 ISDA Definitions (as defined in Condition 8.3.2).

## 2. Target Memory Autocall

***Definition:***

*In a Target Memory Autocall, there is no right to receive 100% of the invested capital less fees at Maturity.*

*-> If, on an Interest Payment Date, the Underlying (typically an index) has lost more than a certain percentage of its initial value (for example -30%), no Interests are paid and the Interests (for example, 7.50%) are recorded in the Memory which starts at zero.*

*-> If the Underlying has not lost more than a certain percentage of its initial value (for example, -30%), the Interests and the memory are paid.*

*-> If the Underlying is above a predefined level (typically its initial value), the Interests and the memory are paid and the Note is redeemed at par (autocallable).*

*At Maturity, if the Underlying is below a third predefined level (for example, -50%), the Redemption Amount is linked to the evolution of the Underlying, which means that investors will receive less than the invested capital, less fees. Otherwise, the Note is redeemed at par*

***Product:***

*Periodic payments (i = 1 to 4):*

| |
|---|
| 1. Periods: 5 |

2. Underlying: SX5E

3. Performance will be $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ (Subdivision 3.c) is applicable), no reset for the Initial Price

4. Callable is applicable (Subdivision 4) is applicable) if Performance$_i$ ≥ 0%

5. Condition is applicable (Subdivision 5))

6. Bonus$_i$ $= -\sum_{w=1}^{i-1} Formula_w$ if Performance$_i$ ≥ -30%

= 0% if Performance$_i$ < -30%

7. Participation Rate = period i (i = 1 to 4) if Performance$_i$ ≥ -30

= 0% if Performance$_i$ < -30%

8. X% = 7.50% if Performance$_i$ ≥ -30%

= 0% if Performance$_i$ < -30%

9. Y% = 7.50% if Performance$_i$ ≥ -30%

= 0% if Performance$_i$ < -30%

10. Daycount: 30/360, following, unadjusted

➡ If Performance$_i$ ≥ -30% and < 0%

The formula for the Periodic Payments will be

$$\left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)$$

$$= \left(i \times \max\left(7.50\%, min(Performance, 7.50\%)\right)\right) - \sum_{w=1}^{i-1} Formula_w$$

➡ $= (i \times \quad (7.50\%)) - \sum_{w=1}^{i-1} Formula_w$ If Performance$_i$ < -30%,

Formula for the Periodic Payments will be

$$\left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)$$

$$= \left(0\% \times \max\left(0\%, min(Performance, 0\%)\right)\right) + 0\% = 0$$

➡ If Performance$_i$ ≥ 0%, then the transaction terminates automatically (autocallable).

Formula$_i$ for Redemption Amount will be:

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right]$$

$$= Denomination + \left[Denomination \times \left(i \times \max\left(7.50\%_i, min(Performance_i, 7.50\%_i)\right) - \sum_{w=1}^{i-1} Formula_w\right)\right]$$

$$= Denomination + \left[Denomination \times \left(i \times 7.50\% - \sum_{w=1}^{i-1} Formula_w\right)\right]$$

*Redemption Amount:*

1. Periods: 5

2. Underlying: SX5E

3. Performance will be $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ (Subdivision 3.c) is applicable), no reset for the Initial Price

4. Call is activated if Performance$_i$ ≥ 0%

5. Conditions are activated

6. Bonus$_i$ = $-\sum_{w=1}^{i-1} Formula_w$ if Performance$_i$ ≥ -30%; = 0% if Performance$_i$ < -30%

7. Participation Rate = 5 if Performance$_i$ ≥ -30%; = 0% if Performance$_i$ < -30% and ≥ -50%; = 100% if Performance$_i$ < -50%

8. X% = 7.50% if Performance$_i$ ≥ -30%; = 0% if Performance$_i$ < -30% and ≥ -50%; = - 100% if Performance$_i$ < -50%

9. Y% = 7.50% if Performance$_i$ ≥ -30%; = 0% if Performance$_i$ < -30% and ≥ -50%; = 100% if Performance$_i$ < -50%

10. Daycount: 30/360, following, unadjusted

If Performance$_i$ ≥ -30% and < 0%, then Formula$_i$ will be:

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min\left(Performance_i, Y\%_i\right)\right) + Bonus_i\right)\right]$$

$$= Denomination + Denomination \times \left[\left(5 \times \max\left(7.50\%, min\left(Performance, 7.50\%\right)\right)\right) - \sum_{w=1}^{i-1} Formula_w\right]$$

$$= Denomination + \left[Denomination \times \left(i \times 7.50\% - \sum_{w=1}^{i-1} Formula_w\right)\right]$$

If Performance$_i$ < -30% and ≥ -50%, then Formula$_i$ will be:

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min\left(Performance_i, Y\%_i\right)\right) + Bonus_i\right)\right]$$

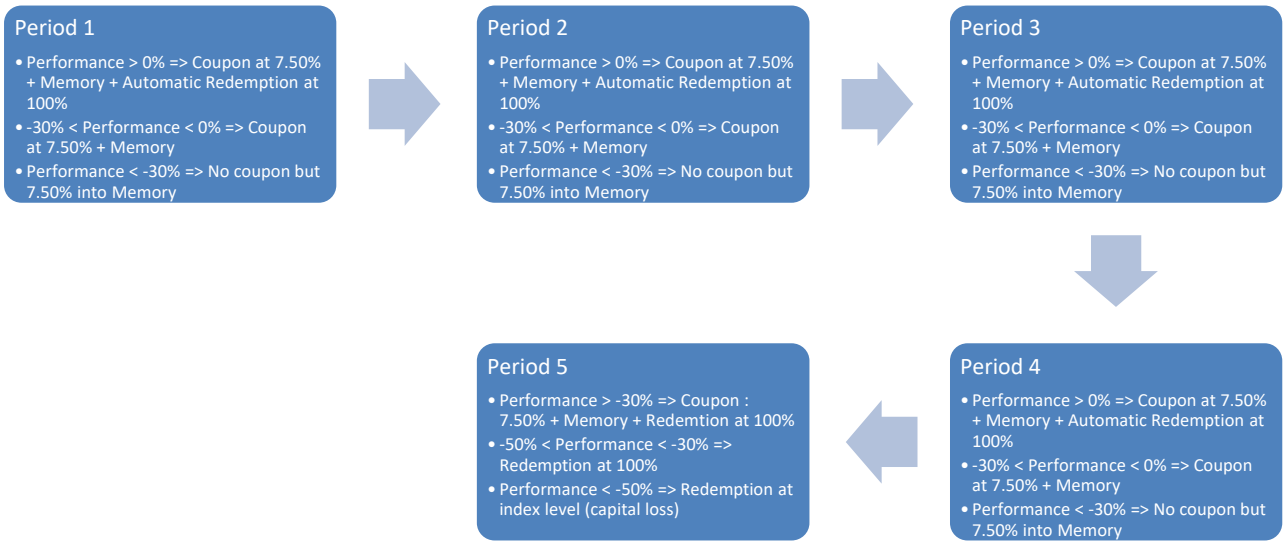
$$= Denomination + \left[Denomination \times \left(0\% \times \max\left(0\%, min\left(Performance_i, 0\%\right)\right) + 0\%\right)\right]$$

$$= Denomination$$

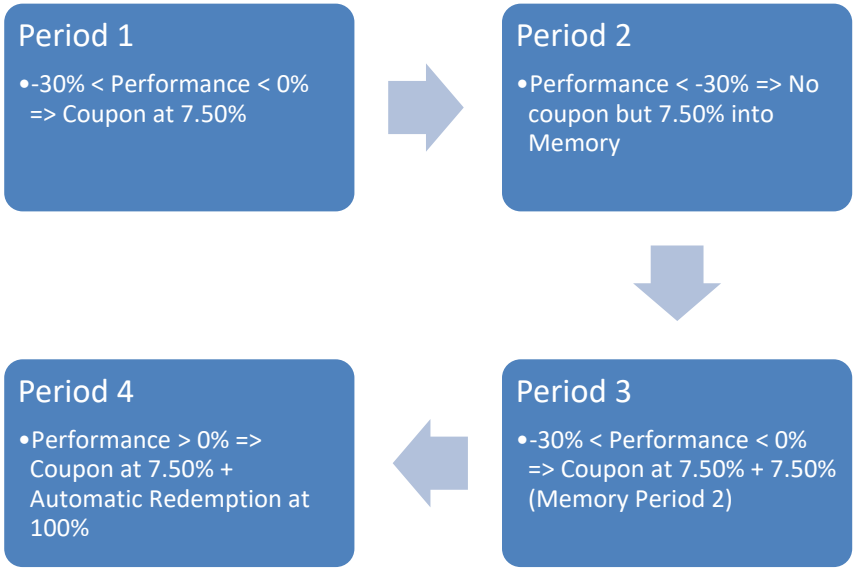
If Performance$_i$ < - 50%, then Formula$_i$ will be:

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min\left(Performance_i, Y\%_i\right)\right) + Bonus_i\right)\right]$$

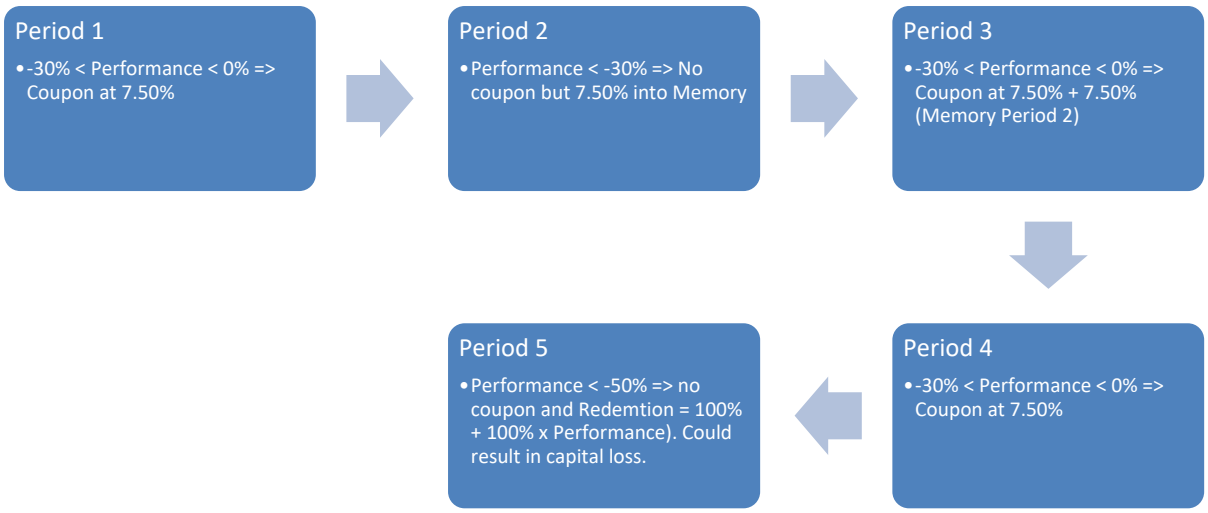
$$= Denomination + \left[Denomination \times \left(100\% \times \max\left(-100\%, min\left(Performance_i, 100\%\right)\right) + 0\%\right)\right]$$




Optimistic Scenario




Pessimistic Scenario




## 3. Light Reverse

***Definition:***

*In a Light Reverse, one single barrier needs to be observed at Maturity. There is no right to receive 100% of the invested capital less fees at maturity*

*The Noteholder receives periodically (typically every year) a fixed Interest rate (for example 5.50%).*

*At Maturity, the Noteholder receives 100% of its investment if the Underlying (typically an Index) has not lost more than a pre-defined percentage (for example -40%) of its initial value. Otherwise the index performance is paid and there is a loss of capital.*

***Product:***

*Periodic payments:*

| |
|---|
| 1. Periods: 5 |
| 2. Underlying: SX5E |

3. Performance is $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ (Subdivision 3.c) is applicable), no Reset for the Initial Price

4. Not applicable

5. Not applicable

6. Bonus = 5.50%

7. Participation Rate = 100%

8. X% = 0%

9. Y% = 0%

10. Daycount: 30/360, unadjusted, following

The formula for the Periodic Payments will be

$$\left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)$$
$$= \left(0\% \times \max\left(0\%, min(Performance, 0\%)\right) + 5.50\%\right) = 5.50\%$$

*Redemption Amount:*

1. Periods: Not Applicable

2. Underlying: Eurostoxx 50 (SX5E)

3. Performance is $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ (Subdivision 3.c) is applicable), no Reset for the Initial Price

4. Not applicable

5. Digitals are activated (Subdivision 5) is applicable)

6. Bonus = 0%

7. Participation Rate = 0% if Performance ≥ -40%;
100% if Performance < -40%.

8. X% = 0% if Performance ≥ -40%;
-100% if Performance < -40%.

9. Y% = 0% if Performance ≥ -40%;
100% if Performance < -40%.

10. Daycount: 30/360, unadjusted, following

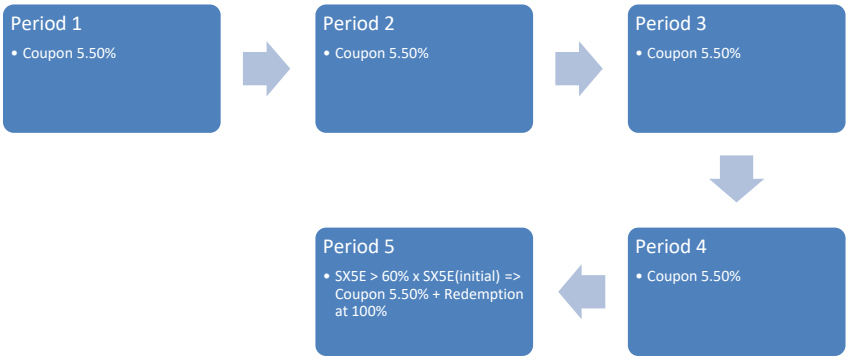
If Performance ≥ -40%, then formula for the Redemption Amount will be

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right]$$
$$= Denomination + \left[Denomination \times \left(0\% \times \max\left(0\%, min(Performance_i, 0\%)\right) + 0\%\right)\right]$$
$$= Denomination$$

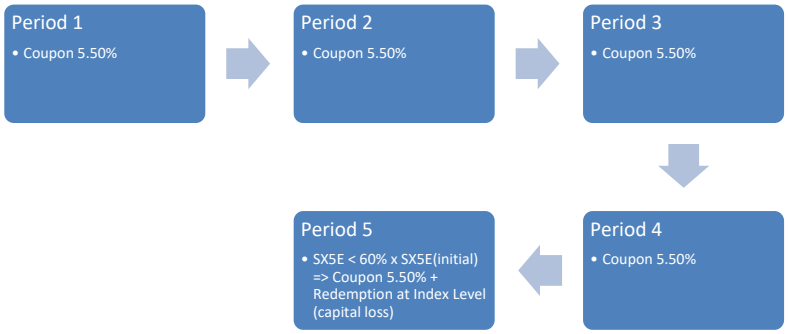
If Performance < -40%, then formula for the Redemption Amount will be

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right]$$
$$= Denomination + \left[Denomination \times \left(100\% \times \max\left(-100\%, min(Performance_i, 100\%)\right) + 0\%\right)\right]$$
$$= Denomination + \left[Denomination \times Performance_i\right]$$

Optimistic Scenario




Pessimistic Scenario



# B. Structures with one payment at maturity with cap

The second category includes the products which do not generate any Periodic Payments but one global payment at Maturity. This last payment can be fixed (in a so-called "zero coupon product") or variable. The formulas as stipulated below will specify if the Notes have a Redemption Amount at 100% of the capital invested less fees or not.

## Definition

The Variable Linked Redemption Amount can be constituted out of the next formula(s):

$$Formula\ i = \ Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right]$$

The Final Terms will specify the parameters (Participation Rate, X%, Y%) of the specific issue (see introduction). The Final Terms will also specify if a combination of more than one of these formulas is used. The Final Terms will furthermore specify:

1) Which Underlying will be used to calculate the Performance (Market Rate, Share or Basket of Shares, Share Index or Basket of Share Indexes, Commodity Index or Basket of Commodity Indexes, Inflation Index, Fund or Basket of Funds).
2) Which sub formula will apply to calculate the Performance. This Performance can be:
   a) a single fixing
   b) a difference between 2 Underlyings: $Underlying_1 - Underlying_2$
   *c)* $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   *d)* $\frac{Initial\ Price - Final\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   e) $\frac{Final\ Price - Initial\ Price}{Final\ Price}$, with or without reset of Initial Price
   f) $\frac{Initial\ Price - Final\ Price}{Final\ Price}$, with or without reset of Initial Price
   g) $\frac{FinalPrice}{InitialPrice}$
   $\sum_{j=1}^{y} w_{i,j} \times max\left(U\%, min\left(\left(\frac{FinalPrice_j - InitialPrice_j}{InitialPrice_j}\right), Z\%\right)\right)$, with or without reset of the Initial Price.
   W means the weight of the Underlying. Y can be the number of Underlyings, or can be the number of periods.

   The Final Terms will also determine how the Final Price and Initial Price are defined. These can be one observation, an average of X observations, with a look-back feature (lowest/highest during a certain period).
3) If the structure can be called either by the Issuer at certain dates, or when the Underlying reaches a certain level at a certain date or during a certain period.
4) If the value of some parameters depends on the level of the underlying at a certain date or during a certain period (=condition).
5) How the $Bonus_i$ is defined. The $Bonus_i$ can be:
   a. a fixed rate;
   b. a fixed rate subject to a condition on the Underlying;
   c. a rate which is the result of a formula such as the formulas above; or
   d. a rate which is the result of a sum of Formulas such as the Formulas above.
6) What the Participation Rate will be.
7) What the floor X% will be.
8) What the cap Y% will be.
9) What daycount convention has to be applied.

# Examples

## 1. Call spread

***Definition:***

*In a Call spread, there is no Periodic Payment. At Maturity, the Redemption Amount will be equal to 100% of the capital invested less fees plus any positive evolution of the Underlying capped at a defined level.*

***Product:***

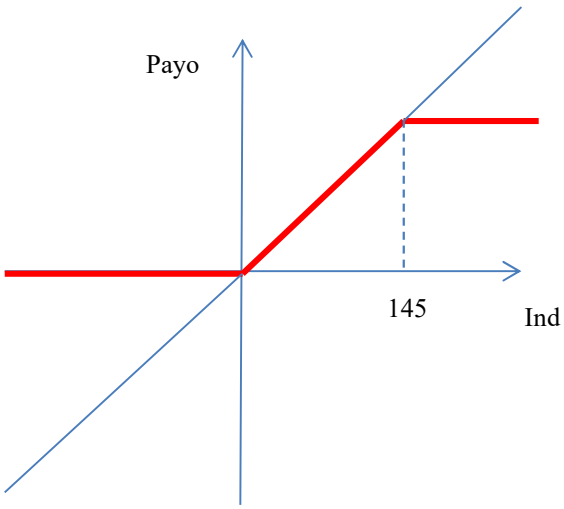
*Redemption Amount:*

1. Underlying: Eurostoxx 50 (SX5E)
2. Performance is $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ (Subdivision 2.c) is applicable) where Initial Price is closing level of Index observed at 24/09/2012 and Final Price is arithmetic average of the closing levels observed at 10/09/2017, 11/09/2017 and 12/09/2017.
3. Not applicable
4. Not applicable
5. Bonus = 0%
6. Participation Rate = 100%
7. X% = 0%
8. Y% = 45%
9. No daycount

The formula for the Redemption Amount will be:

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min\left(Performance_i, Y\%_i\right)\right) + Bonus_i\right)\right]$$

$$Denomination + \left[Denomination \times \left(100\% \times \max\left(0\%, min\left(Performance, 45\%\right)\right) + 0\%\right)\right] =$$




Optimistic Scenario:

Performance = 30% => $Denomination + \left[Denomination \times \left(100\% \times \max\left(0\%, min\left(30\%, 45\%\right)\right) + 0\%\right)\right]$ = 130%

Pessimistic Scenario:

Performance = -30% => $Denomination + \left[Denomination \times \left(100\% \times \max\left(0\%, min\left(-30\%, 45\%\right)\right) + 0\%\right)\right]$= 100%

## 2. Digital on CMS

***Definition:***

*The Digital on CMS product is the combination of a typical Zero Coupon bond (with a predefined interest payment at maturity) and a potential additional payment (the digital feature) if the Underlying (in this case the CMS rate) is above a certain level at maturity.*

***Product:***

*Redemption Amount:*

1. Underlying: CMS10y
2. Performance is a single fixing ((Subdivision 2.a) is applicable)
3. Not applicable
4. Condition is applicable ((Subdivision 4) is applicable) -> at observation date, if CMS10y is at or above 2.10%
5. Bonus = 25.20 %
6. Participation Rate = 0% if CMS10y < 2.10%
   100% if CMS10y ≥ 2.10%
7. X% = 0% if CMS10y < 2.10%
   10.40 % if CMS10y ≥ 2.10%
8. Y% = 0% if CMS10y < 2.10%
   10.40 % if CMS10y ≥ 2.10%
9. No daycount

If CMS10y < 2.10%, then

Formula for the Redemption Amount will be

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min\left(Performance_i, Y\%_i\right)\right) + Bonus_i\right)\right]$$

$$Denomination + \left[Denomination \times \left(0\% \times \max\left(0\%, min\left(Performance_i, 0\%\right)\right) + 25.20\%\right)\right]$$

$$= Denomination + \left[Denomination \times (25.20\%)\right]$$

If CMS10y ≥ 2.10%, then

Formula for the Redemption Amount will be

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min\left(Performance_i, Y\%_i\right)\right) + Bonus_i\right)\right]$$

$$Denomination + \left[Denomination \times \left(100\% \times \max\left(10.40\%, min\left(10.40\%\right)\right) + 25.20\%\right)\right]$$

$$= Denomination + \left[Denomination \times (10.40\% + 25.20\%)\right]$$

**Period 1**

- CMS10y < 2.10% => Redemption Price = 100% + 25.20% + 0%
- CMS10y > 2.10% => 100% + 25.20% + 10.40%

For the purposes of this example, the term "**CMS10y**" shall be construed to mean "EUR-EURIBOR ICE Swap Rate-11.00" with a Designated Maturity of 10 years, within the meaning of the 2021 ISDA Definitions (as defined in Condition 8.3.2).

## C. Structures with one payment at maturity without cap

The third category includes the Notes which do not generate any Periodic Payments but one global payment at Maturity. This last payment can be fixed (in a so-called "zero coupon product") or variable. The formulas as stipulated below will specify if the Notes are with redemption at 100% of the capital invested less fees or not.

# Definition

The Variable Linked Redemption Amount can be constituted out of the next formula(s):

$$Formula\ i = Denomination + [Denomination \times (Participation\ Rate_i \times \max(X\%_i, Performance_i) + Bonus_i)]$$

The Final Terms will specify the parameters (Participation Rate, X%) of the specific issue (see introduction). The Final Terms will also specify if a combination of more than one of these formulas is used. The Final Terms will furthermore specify:

1) Which underlying will be used to calculate the Performance (Market Rate, Share or Basket of Shares, Share Index or Basket of Share Indexes, Commodity Index or Basket of Commodity Indexes, Inflation Index, Fund or Basket of Funds).
2) Which sub formula will apply to calculate the Performance. This Performance can be:
   a) a single fixing
   b) a difference between 2 Underlyings: $Underlying_1 - Underlying_2$
   c) $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   d) $\frac{Initial\ Price - Final\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   e) $\frac{Final\ Price - Initial\ Price}{Final\ Price}$, with or without reset of Initial Price
   f) $\frac{Initial\ Price - Final\ Price}{Final\ Price}$, with or without reset of Initial Price
   g) $\frac{FinalPrice}{InitialPrice}$
   h) $\sum_{j=1}^{y} w_{i,j} \times max\left(U\%, min\left(\left(\frac{FinalPrice_j - InitialPrice_j}{InitialPrice_j}\right), Z\%\right)\right)$, with or without reset of the Initial Price. W means the weight of the Underlying. Y can be the number of Underlyings, or can be the number of periods.

   The Final Terms will also determine how the Final Price and Initial Price are defined. These can be one observation, an average of X observations, with a look-back feature (lowest/highest during a certain period).
3) If the structure can be called either by the Issuer at certain dates, or when the Underlying reaches a certain level at a certain date or during a certain period.
4) If the value of some parameters depends on the level of the underlying at a certain date or during a certain period (=condition).
5) How the $Bonus_i$ is defined. The $Bonus_i$ can be:
   a. a fixed rate;
   b. a fixed rate subject to a condition on the Underlying;
   c. a rate which is the result of a Formula such as the Formulas above; and
   d. A rate which is the result of a sum of Formulas such as the Formulas above.
6) What the Participation Rate will be.
7) What the floor X% will be.
8) What daycount convention has to be applied.

# Examples

## *1.* Optimal Performance

***Definition:***

*In an Optimal Performance, there is no right to receive 100% of the invested capital less fees at Maturity. At Maturity, if the underlying (typically an equity index or equity share) is at or above its initial level, but below a defined threshold (for example 150%) investors receive 100 % of the invested capital plus a fixed amount (50% in this example).*

*If the Underlying is above this defined threshold of 150%, Noteholders will receive the performance of the Underlying.*

*If the Underlying is strictly below its initial level, Noteholders wills receive 150 % of the performance. Below a certain level of the underlying, Noteholders will suffer a capital loss.*

***Product:***

*Redemption Amount:*

1. Underlying: Eurostoxx 50 (SX5E)
2. Performance = $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ if Final Price is ≥ Initial Price (Subdivision 2.c) is applicable), no Reset for the Initial Price
   = $\frac{Final\ Price}{Initial\ Price}$ if Final Price is < Initial Price (Subdivision 2.e) is applicable), no Reset for the Initial Price
3. Not applicable
4. Digitals are activated (Subdivision 4) is applicable)
5. Bonus = 0% if Final Price is ≥ Initial Price
   - 100% if Final Price is < Initial Price
6. Participation Rate = 100% if Final Price is ≥ Initial Price
   150% if Final Price is < Initial Price
7. X% = 50% if Final Price is ≥ Initial Price
   Not applicable if Final Price is < Initial Price
8. Y% = not applicable
9. No daycount

If Final Price is ≥ Initial Price:

Formula for the Redemption Amount will be

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right]$$

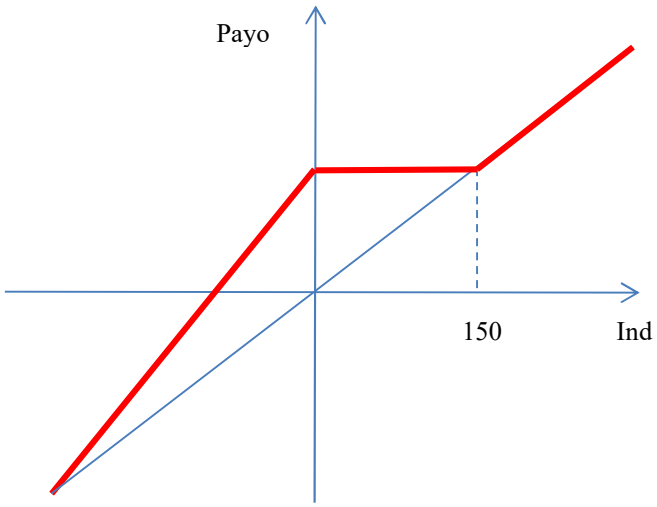
$$= Denomination + \left[Denomination \times \left(100\% \times \max\left(50\%, min(Performance)\right)\right) + 0\%\right]$$

If Final Price is < Initial Price then:

Formula for the Redemption Amount will be

$$Denomination + \left[Denomination \times \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right]$$

$$= Denomination + \left[Denomination \times \left(150\% \times \max\left(min(Performance)\right) - 100\%\right)\right]$$




Optimistic Scenario

Final Price = 135% x Initial Price =>
$Denomination + \left[Denomination \times \left(100\% \times \max\left(50\%, min(35\%)\right)\right) + 0\%\right] = 150\%$

Pessimistic Scenario

Final Price = 40% x Initial Price =>

$Denomination + \left[Denomination \times \left(150\% \times \max\left(min(40\%)\right) - 100\%\right)\right] = 60\%$

# D. Structures with a sum of periodic calculation and payment at maturity

The fourth category includes the products which do not generate any Periodic Payments but one global payment at Maturity. This last payment can be seen as the sum of different periodical components.

The formulas as stipulated below will specify if the Notes will have a Redemption Amount of 100% of the capital invested less fees or not.

## Definition

The Variable Linked Redemption Amount can be constituted out of the next formula(s):

$$Formula\ i = \ Denomination +$$

$$\left[Denomination \times \max\left(V\%, \sum_{i=1}^{n}\left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right)\right]$$

The Final Terms will specify the parameters (Participation Rate, X%, Y%) of the specific issue (see introduction). The Final Terms will also specify if a combination of more than one of these formulas is used. The Final Terms will furthermore specify:

1) How many periods (n) will be used and what formula relates to what period.
2) Which Underlying will be used to calculate the Performance (Market Rate, Share or Basket of Shares, Share Index or Basket of Share Indexes, Commodity Index or Basket of Commodity Indexes, Inflation Index, Fund or Basket of Funds).
3) Which sub formula will apply to calculate the Performance. This Performance can be:
   a) a single fixing
   b) a difference between 2 Underlyings: $Underlying_1 - Underlying_2$
   *c)* $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$, with or without reset of the Initial Price

*d)* $\frac{Initial\ Price - Final\ Price}{Initial\ Price}$, with or without reset of the Initial Price

e) $\frac{Final\ Price - Initial\ Price}{Final\ Price}$, with or without reset of Initial Price

*f)* $\frac{Initial\ Price - Final\ Price}{Final\ Price}$, with or without reset of Initial Price

g) $\frac{FinalPrice}{InitialPrice}$

*h)* $\sum_{j=1}^{y} w_{i,j} \times max\left(U\%, min\left(\left(\frac{FinalPrice_j - InitialPrice_j}{InitialPrice_j}\right), Z\%\right)\right)$, with or without reset of the Initial Price. W means the weight of the Underlying. Y can be the number of Underlyings, or can be the number of periods.

The Final Terms will also determine how the Final Price and Initial Price are defined. These can be one observation, an average of X observations, with a look-back feature (lowest/highest during a certain period).

4) If the Note can be called either by the Issuer at certain dates, or when the Underlying reaches a certain level at a certain date or during a certain period.
5) If the value of some parameters depends on the level of the underlying at a certain date or during a certain period (=condition).
6) How the $Bonus_i$ is defined. The $Bonus_i$ can be:
    a. a fixed rate
    b. a fixed rate subject to a condition on the Underlying
    c. a rate which is the result of a Formula such as the Formulas above.
    d. A rate which is the result of a sum of Formulas such as the Formulas above.
7) What the Participation Rate will be.
8) What the floor X% will be.
9) What the cap Y% will be.
10) What the global floor of V% will be.
11) What daycount convention has to be applied.

# Examples

## 1. Cliquet

***Definition:***

*The Cliquet will pay at maturity the sum of the yearly performances of the Underlying, where yearly performances are floored at X % (for example, -3%) and capped at Y % (for example, 7%).*

*Global payout is floored at V % (for example, 0%) to have a right to receive 100% of the invested capital less fees at Maturity.*

***Product:***

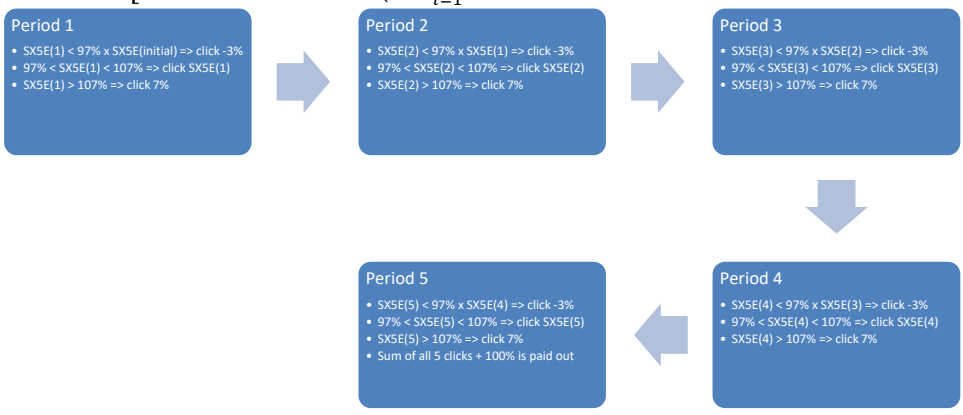
*Redemption Amount:*

1. Periods (n): 5
2. Underlying: SX5E
3. Performance is $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ ( subformula 3.c)) with annual reset.
4. Not applicable
5. Not applicable
6. Bonus = 0 %
7. Participation Rate = 100%
8. X% = - 3%
9. Y% = 7%
10. V% = 0%
11. No daycount

The Variable Linked Redemption Amount is equal to:

$$Denomination + \left[Denomination \times \max\left(V\%, \sum_{i=1}^{n}\left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)\right)\right]$$

$$= Denomination + \left[Denomination \times \max\left(0\%, \sum_{i=1}^{5}\left(100\% \times \max\left(-3\%, min(Performance_i, 7\%)\right) + 0\%\right)\right)\right]$$



# E. Structures with periodic payments and physical settlement

Typically, this category refers to Notes called reverse convertible for which the Redemption Amount is not equal to 100% of the capital invested less fees and can be done in physical instruments (shares for instance) depending on the final value of these shares instead of cash.

## Definition

The Periodic Payments can be constituted out of the next formula(s) (for n periods):

$$Formula\ i = \left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)$$

The Redemption Amount at the end of period n can be constituted out of the next formula's.

If the Performance is at or above a certain Barrier, the Redemption Amount is in cash at par.

If the Performance is below a certain Barrier, then physical settlement will apply.

Number of shares to be delivered

$$\frac{Denomination}{Specified\ Denomination} \times \left[\frac{Specified\ Denomination}{Initial\ Price} - \left(Non-integer\ amount\ of\ \frac{Specified\ Denomination}{Initial\ Price}\right)\right]$$

Fractional Share Amount

$$\frac{Denomination}{Specified\ Denomination} \times Final\ Price \times \left(non-integer\ amount\ of\ \frac{Specified\ Denomination}{Initial\ Price}\right)$$

These formulas stipulate how many shares will be delivered per Specified Denomination of the Notes. The number of shares has to be an integer amount. The non-integer amount will then be paid in cash (= Fractional Share Amount).

The Final Terms will specify the parameters (Participation Rate, X%, Y%) of the specific issue (see introduction). The Final Terms will also specify if a combination of more than one of these formulas is used. The Final Terms will furthermore specify:

1) How many periods (n) will be used and what formula relates to what period.
2) Which underlying will be used to calculate the Performance (Market Rate, Share or Basket of Shares, Share Index or Basket of Share Indexes, Commodity Index or Basket of Commodity Indexes, Inflation Index, Fund or Basket of Funds).
3) Which sub formula will apply to calculate the Performance. This Performance can be:
   a) a single fixing
   b) a difference between 2 Underlyings: $Underlying_1 - Underlying_2$
   *c)* $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   *d)* $\frac{Initial\ Price - Final\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   e) $\frac{Final\ Price - Initial\ Price}{Final\ Price}$, with or without reset of Initial Price
   *f)* $\frac{Initial\ Price - Final\ Price}{Final\ Price}$, with or without reset of Initial Price
   g) $\frac{FinalPrice}{InitialPrice}$
   h) $\sum_{j=1}^{y} w_{i,j} \times max\left(U\%, min\left(\left(\frac{FinalPrice_j - InitialPrice_j}{InitialPrice_j}\right), Z\%\right)\right)$, with or without reset of the Initial Price. W means the weight of the Underlying. Y can be the number of Underlyings, or can be the number of periods.

   The Final Terms will also determine how the Final Price and Initial Price are defined. These can be one observation, an average of X observations, with a look-back feature (lowest/highest during a certain period).
4) If the structure can be called either by the Issuer at certain dates, or when the Underlying reaches a certain level at a certain date or during a certain period.
5) If the value of some parameters depends on the level of the underlying at a certain date or during a certain period (=condition).
6) How the $Bonus_i$ is defined. The $Bonus_i$ can be:
   a. a fixed rate;
   b. a fixed rate subject to a condition on the Underlying;
   c. a rate which is the result of a Formula such as the Formulas above; and
   d. a rate which is the result of a sum of Formulas such as the Formulas above.

7) What the Participation Rate will be.
8) What the floor X% will be.
9) What the cap Y% will be.
10) What daycount convention has to be applied.

## Example

### 1. Reverse Convertible on Total shares

***Definition:***

*The Reverse Convertible will pay a high fixed Interest Rate during the lifetime of the Note. The Redemption Amount will depend on the evolution of the Underlying. Is the Underlying at or above a certain barrier, the Redemption Amount will be at 100%. Is the Underlying below the barrier, the Redemption will be in a number of shares of the Underlying*

***Product:***

*Periodic payments:*

1. Periods (n): 5
2. Underlying: Total
3. Performance is $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ ( subformula 3.c))
4. Not applicable
5. Not applicable
6. Bonus = 8 %
7. Participation Rate = 0%
8. X% = 0 %
9. Y% = 0%
10. Daycount: 30/360, unadjusted, following

$$\left(Participation\ Rate_i \times \max\left(X\%_i, min(Performance_i, Y\%_i)\right) + Bonus_i\right)$$

$$= \left(0\% \times \max\left(0\%_i, min(Performance_i, 0\%_i)\right) + 8\%\right)$$

*Variable Linked Redemption Amount:*

1. Periods (n): 5
2. Underlying: Total
3. Performance is $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$ ( subformula 3.c))
4. Not applicable
5. Applicable: Condition = 70% x Initial Price
6. Bonus = 8 %
7. Participation Rate = 0%
8. X% = 0 %
9. Y% = 0%
10. Daycount: 30/360, following, unadjusted

If Final Price is at or above 70% of Initial Price, then 100%,

*Denomination*

Otherwise number of shares (Subdivision 5) is applicable)

Number of shares to be delivered

$$\frac{Denomination}{Specified\ Denomination} \times \left[\frac{Specified\ Denomination}{Initial\ Price} - \left(Non - integer\ amount\ of\ \frac{Specified\ Denomination}{Initial\ Price}\right)\right]$$

Fractional Share Amount

$$\frac{Denomination}{Specified\ Denomination} \times Final\ Price \times \left(non - integer\ amount\ of\ \frac{Specified\ Denomination}{Initial\ Price}\right)$$

Optimistic scenario

Final Price > 70% x Initial Price, then Coupon of 8% + 100% Redemption

Pessimistic scenario

For instance, if Final Price of Total = 22.90, which is below 70% x 38.20 (Initial Price of Total), then

Per Specified Denomination of € 1000,
$\left[\frac{1000}{38.20} - \left(Non - integer\ amount\ of\ \frac{1000}{38.20}\right)\right] = 26$ shares of Total.

And
$22.90 \times \left(non - integer\ amount\ of\ \frac{1000}{38.20}\right)$ = 4.08 euro in cash

# F Structures with a periodic payment of interest and an amortising redemption

Typically, this category refers to Notes generating a periodic payment of Interest (fixed or variable) (the "**Periodic Payment**") and for which the Redemption Amount at maturity is not equal to 100% of the capital invested less fees but for which the Redemption will be made in parts during the life of the Notes (several Partial Redemption Dates).

## Definition

The Periodic Payments of Interest can be calculated by applying the next formula(s) [for n periods]:

$$Formula_{\ i} = Denomination * Pool\ Factor_i \times Interest\ Rate_i$$

The Partial Redemption Amount$_i$ on Partial Redemption Date$_i$ (for i = 1 to period n-1) can be calculated by applying the next formula:

$$Formula_{\ i} = [Denomination \times (Pool\ Factor_i - Pool\ Factor_{i+1})]$$

Save for the period i = n for which the Partial Redemption Amount$_n$ on Partial Redemption Date$_n$ can be calculated by applying the next formula:

$$Formula_{\ n} = [Denomination \times (Pool\ Factor_n)]$$

The Final Terms will specify the parameters (Pool Factor$_i$, Interest Rate $_i$, Partial Redemption Amount$_i$, Partial Redemption Date$_i$) of the specific issue. The Final Terms will also specify if a combination of more than one of these formulas is used. The Final Terms will furthermore specify:

1) How many periods (n) will be used and what formula relates to what period.
2) In case of Floating Rate Notes, which underlying (the "**Underlying**") will be used to calculate the Interest Rate$_i$ (Market Rate, Share or Basket of Shares, Share Index or Basket of Share Indexes, Commodity Index or Basket of Commodity Indexes, Inflation Index, Fund or Basket of Funds) (as defined in the Final Terms).
   In case of Fixed Rate Note, the Interest Rate$_i$ determined for each period.
3) Which sub formula will apply to calculate the Performance. This Performance can be:
   a) a single fixing
   b) a difference between 2 Underlyings: Underlying$_1$ – Underlying$_2$
   *c)* $\frac{Final\ Price - Initial\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   *d)* $\frac{Initial\ Price - Final\ Price}{Initial\ Price}$, with or without reset of the Initial Price
   e) $\frac{Final\ Price - Initial\ Price}{Final\ Price}$, with or without reset of Initial Price
   *f)* $\frac{Initial\ Price - Final\ Price}{Final\ Price}$, with or without reset of Initial Price
   g) $\frac{FinalPrice}{InitialPrice}$
   h) $\sum_{j=1}^{y} w_{i,j} \times max\left(U\%, min\left(\left(\frac{FinalPrice_j - InitialPrice_j}{InitialPrice_j}\right), Z\%\right)\right)$, with or without reset of the Initial Price. W means the weight of the Underlying. Y can be the number of Underlyings, or can be the number of periods.

   The Final Terms will also determine how the Final Price and Initial Price are defined. These can be one observation, an average of X observations, with a look-back feature (lowest/highest during a certain period).
4) The Partial Redemption Date(s)$_i$.
5) What the Pool Factor$_i$ will be.
6) What daycount convention has to be applied.

# Example

## 1. Liquidity

***Definition:***

*The Liquidity issue will pay a step-up Interest Rate during the lifetime of the Notes (1.00% the first year, 1.00% the second year, 1.10% the third year, 1.30% the fourth year, 1.60% the fifth year and 2.00% the sixth year). The Redemption Amount will be spread over time, with partial redemptions of the invested capital (less fees) starting from year 3. The Interest Amount is paid on the outstanding nominal of the Notes, which means that we must apply a pool factor to the Denominations in order to compute the Interest Amount received on each Denomination. The cumulative Redemption Amounts will be at 100%.*

***Product:***

*Periodic payments of interest and capital:*

*1. Periods (n): 6*

*2. Interest Rates*

| i | Interest Rate$_i$ |
|---|---|
| 1 | 1.00% |
| 2 | 1.00% |
| 3 | 1.10% |
| 4 | 1.30% |
| 5 | 1.60% |
| 6 | 2.00% |

*3. Not Applicable*

*4. Partial Redemption Dates*

| i | Partial Redemption Date$_i$ |
|---|---|
| 3 | Partial Redemption Date in Y3 |
| 4 | Partial Redemption Date in Y4 |
| 5 | Partial Redemption Date in Y5 |
| 6 | Partial Redemption Date in Y6 |

*5. Pool Factor*

| i | Pool Factor$_i$ |
|---|---|
| 1 | 100% |
| 2 | 100% |
| 3 | 100% |
| 4 | 75% |
| 5 | 50% |
| 6 | 25% |

*6. Daycount: Act/Act ICMA, unadjusted, following*

## *8.3. Interest on the Notes*

The interest to be paid on the Notes (the **"Interest"**) can be based on a fixed rate (**"Fixed Rate"**, such Notes to be referred to as **"Fixed Rate Notes"**), a floating rate (**"Floating Rate"**, such Notes referred to as "**Floating Rate Notes"**) or linked to any other variable, formula and/or underlying (**"Variable Linked Rate"**, such Notes to be referred to as **"Variable Linked Rate Notes"**) (Fixed Rate, Floating Rate and Variable Linked Rate are together referred to as **"Interest Rate"**). The Interest Rate is expressed as a percentage per annum.

The Notes can also be Zero Coupon Notes, in which case no Interest is paid periodically.

The Interest is calculated per Note for each Interest Period as the product of the Calculation Amount, the Interest Rate and the Day Count Fraction, unless an Interest Amount is specified in the relevant Final Terms, in which case the Interest payable in respect of such Note for such Interest Period shall be equal to such Interest Amount specified in the relevant Final Terms.

Interest shall cease to accrue on each Note from the due date for redemption thereof unless payment of the principal thereof or delivery of the Redemption Amount to be delivered in respect thereof is improperly withheld or refused or unless default is otherwise made in respect of such payment. In such event, interest shall only cease to accrue from the date on which payment of such Redemption Amount in respect thereof is made or, if earlier and if applicable, from the seventh day after notice is given to the Noteholders in accordance with these Terms and Conditions that payment of the Redemption Amount will be made, provided that, upon such presentation, payment is in fact made.

### *8.3.1. Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate specified in the relevant Final Terms, such interest being payable in arrear on each Interest Payment Date.

### *8.3.2. Floating Rate Notes*

Floating Rate Notes bear Interest at the Floating Rate specified in the relevant Final Terms, as fixed on the Interest Determination Date applicable to the relevant Interest Payment Date and payable in arrear. The Floating Rate will be determined by the Calculation Agent in accordance with the provisions below relating to either ISDA Determination or Screen Rate Determination, in each case, as specified in the relevant Final Terms.

If however a Maximum Rate is specified in the Final Terms and the Floating Rate (determined as described above) is equal to or higher than the Maximum Rate, the Floating Rate will be such Maximum Rate.

If however a Minimum Rate is specified in the Final Terms and the Floating Rate (determined as described above) is equal to or lower than the Minimum Rate, the Floating Rate will be such Minimum Rate.

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

(A) if the relevant Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(1) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the relevant Final Terms;

(2) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period as specified in the relevant Final Terms;

(3) the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the relevant Final Terms;

(4) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:

(I) Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms, then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms;

(II) Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or

(III) Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(5) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the relevant Final Terms);

(6) references in the relevant ISDA Definitions to:

(I) "Confirmation" shall be deemed to be references to the relevant Final Terms;

(II) "Calculation Period" shall be deemed to be references to the relevant Interest Accrual Period;

(III) "Termination Date" shall be deemed to be references to the Maturity Date; and

(IV) "Effective Date" shall be deemed to be references to the Interest Commencement Date; and

(B) if the Final Terms specify "2021 ISDA Definitions" as the applicable ISDA Definitions:

(1) Administrator/Benchmark Event shall be disapplied; and

(2) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(ii) **Screen Rate Determination.** Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Floating Rate is to be determined by the Calculation Agent, the Floating Rate for each Interest Accrual Period will, subject as provided in Condition 8.3.6 and Condition 8.8 below, be either:

(A) the offered quotation; or

(B) the arithmetic mean of the offered quotations,

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

For the purposes of the foregoing:

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

(2) if paragraph (1) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Floating Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Eurozone inter-bank market or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are, in the opinion of the Issuer, suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Eurozone inter-bank market, provided that, if the Floating Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Floating Rate shall be determined as at the last preceding Interest Determination Date or (if there is no such preceding Interest Determination Date, the initial Floating Rate applicable to such Notes on the Interest Commencement Date), though substituting, in any such case, where a different Margin or Maximum Rate or Minimum Rate is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate or Minimum Rate relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate or Minimum Rate relating to that last preceding Interest Accrual Period.

(3) Screen Rate Determination for Floating Rate Notes referencing Compounded SONIA

Where the Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Floating Rate is to be determined, and the Reference Rate is specified in the relevant Final Terms as being SONIA, the Floating Rate for an Interest Accrual Period will, subject as provided in Condition 8.3.6, be Compounded Daily SONIA with respect to such an Interest Accrual Period, plus or minus (as indicated in the relevant Final Terms) the Margin (if any), as determined by the Calculation Agent.

If the relevant Series of Notes become due and payable in accordance with Condition 8.11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Floating Rate on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date.

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Floating Rate, as specified in the relevant Final Terms) on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i\text{-pLBD}}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

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

"**$d_o$**" is the number of London Banking Days in the relevant Interest Accrual Period;

"**i**" is a series of whole numbers from one to $d_o$, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Accrual Period;

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

"**$n_i$**", for any London Banking Day "**i**", means the number of calendar days from and including such London Banking Day "**i**" up to but excluding the following London Banking Day;

"**Observation Look-back Period**" is as specified in the relevant Final Terms;

"**p**" means, in relation to any Interest Accrual Period, the number of London Banking Days included in the Observation Look-back Period, as specified in the relevant Final Terms;

the "**SONIA reference rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case on the London Banking Day immediately following such London Banking Day; and

"**$SONIA_{i\text{-pLBD}}$**" means, in respect of any London Banking Day "i" falling in the relevant Interest Accrual Period, the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i".

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

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for purposes of the relevant Series of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

If, on any Interest Determination Date, the Floating Rate cannot be determined in accordance with the foregoing provisions by the Calculation Agent, the Floating Rate for the relevant Interest Accrual Period shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate or Minimum Rate is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate or Minimum Rate relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate or Minimum Rate relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Floating Rate which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate or Minimum Rate applicable to the first Interest Accrual Period).

(4) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily €STR

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Floating Rate is to be determined and the Reference Rate is specified in the relevant Final Terms as being Compounded Daily €STR, the Floating Rate for an Interest Accrual Period will, subject as provided in Condition 8.3.6, be Compounded Daily €STR with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Final Terms) the applicable Margin (if any), as determined by the Calculation Agent.

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

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

where:

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

"**$d_o$**" is the number of TARGET Settlement Days in the relevant Interest Accrual Period;

"**ECB**" means the European Central Bank or any successor or substituting authority thereto;

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

"**$n_i$**", for any TARGET Settlement Day "i", means the number of calendar days from and including such TARGET Settlement Day "i" up to but excluding the following TARGET Settlement Day;

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

"**p**" means, for any Interest Accrual Period, the whole number of TARGET Settlement Days included in the Observation Look-back Period, as specified in the relevant Final Terms, being no less than two TARGET Settlement Days;

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

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

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each, as defined below) have occurred, the €STR Reference Rate shall be a rate equal to €STR for the last TARGET Settlement Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the ECB (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the ECB (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the ECB or another administrator) (the "**ECB Recommended Rate**"), provided that, if no such rate has been recommended before the end of the first TARGET Settlement Day following the date on which the €STR Index Cessation Effective Date occurs, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "**EDFR**") on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the €STR Reference Rate and the

EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the €STR Index Cessation Event occurs (the "**EDFR Spread**").

Provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

If the Floating Rate cannot be determined in accordance with the foregoing provisions, the Floating Rate shall be (i) that determined as at the last preceding Interest Determination Date (through substituting, where a different Margin, Maximum Rate and/or Minimum Rate (as the case may be) is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate and/or Minimum Rate (as the case may be) relating to the last preceding Interest Accrual Period); or (ii) if there is no such preceding Interest Determination Date, the initial Floating Rate which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first interest Accrual Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate or Minimum Rate applicable to the first Interest Accrual Period).

If the relevant Series of Notes becomes due and payable in accordance with Condition 8.11, the final Floating Rate shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable, and such Floating Rate shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in this Condition 8.3.

"**€STR Index Cessation Event**" means the occurrence of one or more of the following events:

(I) a public statement or publication of information by or on behalf of the ECB (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or

(II) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

"**€STR Index Cessation Effective Date**" means, in respect of an €STR Index Cessation Event, the first date for which €STR is no longer provided by the ECB (or any successor administrator of €STR);

"**ECB Recommended Rate Index Cessation Event**" means the occurrence of one or more of the following events:

(I) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement

or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or

(II) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; and

"**ECB Recommended Rate Index Cessation Effective Date**" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date for which the ECB Recommended Rate is no longer provided by the administrator thereof.

(5) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SOFR

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Floating Rate is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the relevant Final Terms as being Compounded Daily SOFR, the Floating Rate for an Interest Accrual Period will, subject as provided in Condition 8.3.6, be Compounded Daily SOFR plus or minus (as indicated in the relevant Final Terms) the applicable Margin (if any), as determined by the Calculation Agent.

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

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

where:

"**d**" is the number of calendar days in (where in the relevant Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Accrual Period or (where in the relevant Final Terms "Shift" is specified as the Observation Method) the relevant Observation Period;

"**$d_o$**" is (where in the relevant Final Terms "Lag" or "Lock-out" is specified as the Observation Method) for any Interest Accrual Period, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period or (where in the relevant Final Terms "Shift" is specified as the Observation Method) for any Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to "$d_o$", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day (where in the relevant Final Terms "Lag" or "Lock-out" is specified as the Observation Method) in the relevant Interest Accrual Period or (where in the relevant Final Terms "Shift" is specified as the Observation Method) in relevant the Observation Period;

"**Observation Period**" means, in respect of each Interest Accrual Period, the period from and including the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Accrual Period to but excluding the date "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Accrual Period;

"**p**" means:

(I) where in the relevant Final Terms "Lag" is specified as the Observation Method, the number of U.S. Government Securities Business Days included in the Observation Look-back Period specified in the relevant Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days); and

(II) where in the relevant Final Terms "Lock-out" is specified as the Observation Method, zero;

"**USBD**" means U.S. Government Securities Business Day;

"$\mathbf{n_i}$" means, for any U.S. Government Securities Business Day "i", the number of calendar days from and including such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day;

"$\mathbf{SOFR_{i-pUSBD}}$" means:

(I) where in the relevant Final Terms "Lag" is specified as the Observation Method, in respect of any U.S. Government Securities Business Day falling in the relevant Interest Period, the SOFR for the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(II) where in the relevant Final Terms "Lock-out" is specified as the Observation Method, during each relevant Interest Accrual Period, the SOFR determined in accordance with paragraph (1) above, except that in respect of each U.S. Government Securities Business Day i falling on or after the "Lock-out date" specified in the relevant Final Terms (or, where no "Lock-out date" is specified, five U.S. Government Securities Business Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Accrual Period, the SOFR determined in accordance with paragraph (1) above in respect of such "Lock-out date"; or

(III) where in the relevant Final Terms "Shift" is specified as the Observation Method, SOFRi, where SOFRi is, in respect of any U.S. Government Securities Business Day i falling in the relevant SOFR Observation Period, the SOFR for such day.

Unless otherwise defined in these Terms and Conditions or unless the context otherwise requires, in these Terms and Conditions the following words shall have the following meanings:

"**New York City Banking Day**" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

"**OBFR Index Cessation Date**" means, following the occurrence of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York ("**FRBNY**") (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used, in each case as certified in writing by the Issuer to the Calculation Agent;

"**OBFR Index Cessation Event**" means the occurrence of one or more of the following events:

(I) a public statement by the FRBNY (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no

successor administrator that will continue to publish or provide the Overnight Bank Funding Rate;

(II) the publication of information which reasonably confirms that the FRBNY (or a successor administrator of the Overnight Bank Funding Rate) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or

(III) a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an "OBFR Index Cessation Event" under the 2006 ISDA Definitions as published by ISDA;

"**SOFR**" means the rate determined in accordance with the following provisions:

(I) the Secured Overnight Financing Rate that appears on the FRBNY's website at 5:00 p.m. (New York time) on a U.S. Government Securities Business Day;

(II) if the rate specified in (1) above does not so appear, and a SOFR Index Cessation Date has not occurred, then the Calculation Agent shall use the Secured Overnight Financing Rate published on the FRBNY's website for the first preceding U.S. Government Securities Business Day on which the Secured Overnight Financing Rate was published on the FRBNY's website;

(III) if a SOFR Index Cessation Date has occurred, the Calculation Agent shall calculate SOFR as if references to SOFR were references to the rate that was recommended as (and notified by the Issuer to the Calculation Agent) as being the replacement for the Secured Overnight Financing Rate by the Federal Reserve and/or the FRBNY or a committee officially endorsed or convened by the Federal Reserve and/or the FRBNY for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator, and which rate may include any adjustments or spreads). If no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Date, then the rate for any such U.S. Government Securities Business Day falling on or after the SOFR Index Cessation Date will be determined as if (i) references to the Secured Overnight Financing Rate were references to the Overnight Bank Funding Rate (published on the FRBNY's website at or around 5:00 p.m. (New York time) on the relevant New York City Banking Day); (ii) references to U.S. Government Securities Business Day were references to New York City Banking Day, (iii) references to SOFR Index Cessation Event were references to the OBFR Index Cessation Event and (iv) references to SOFR Index Cessation Date were references to OBFR Index Cessation Date; and

(IV) if the Calculation Agent is required to use the Overnight Bank Funding Rate in paragraph (3) above and an OBFR Index Cessation Date has occurred, then for any Interest Payment Date after such OBFR Index Cessation Date, the Calculation Agent shall use the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's website, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range);

"**SOFR Index Cessation Date**" means following the occurrence of a SOFR Index Cessation Event, the date on which the FRBNY (or any successor administrator of the Secured Overnight Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used, in each case as certified in writing by the Issuer to the Calculation Agent;

"**SOFR Index Cessation Event**" means the occurrence of one or more of the following events:

(I) a public statement by the FRBNY (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate;

(II) the publication of information which reasonably confirms that the FRBNY (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; or

(III) a public statement by a regulator or other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an "SOFR Index Cessation Event" under the 2006 ISDA Definitions as published by ISDA; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(6) Screen Rate Determination for Floating Rate Notes referencing Weighted Average SOFR

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Floating Rate is to be determined and the Reference Rate is specified in the relevant Final Terms as being Weighted Average SOFR, the Floating Rate for an Interest Accrual Period will, subject as provided in Condition 8.3.6, be Weighted Average SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Final Terms) the applicable Margin (if any), as determined by the Calculation Agent.

"**Weighted Average SOFR**" means, in relation to any Interest Accrual Period, the arithmetic mean of "$SOFR_i$" in effect during such Interest Accrual Period and will be calculated by the Calculation Agent on each Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\frac{\sum_{i=1}^{d_o} SOFR_i \times n}{d}\right] \times \frac{360}{d}$$

where:

"**d**", "$\mathbf{d_0}$", "**i**" and "**p**" have the meanings set out under Condition 8.3.2(ii)(5) above;

"**$n_i$**" means, for any U.S. Government Securities Business Day the number of calendar days from and including such U.S. Government Securities Business Day up to but excluding the following U.S. Government Securities Business Day; and

"**$SOFR_i$**" means, for any U.S. Government Securities Business Day i:

(I) where in the relevant Final Terms "Lag" is specified as the Observation Method, the SOFR in respect of the U.S. Government Securities Business Day i falling p U.S. Government Securities Business Days prior to such day;

(II) where in the relevant Final Terms "Lock-out" is specified as the Observation Method, during each relevant Interest Period, the SOFR determined in accordance with paragraph (1) above, except that in respect of each U.S. Government Securities Business Day i falling on or after the "Lock-out date" specified in the relevant Final Terms (or, where no "Lock-out date" is specified, five U.S. Government Securities Business Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Period, the SOFR determined in accordance with paragraph (1) above in respect of such "Lock-out date"; or

(III) where in the relevant Final Terms "Shift" is specified as the Observation Method, the SOFR on the U.S. Government Securities Business Day i.

### *8.3.3. Variable Linked Rate Notes*

Variable Linked Rate Notes bear Interest at the Variable Linked Rate specified in the relevant Final Terms, as fixed in the way specified in the Final Terms, and payable in arrear. The Variable Linked Provisions below will apply.

### *8.3.4. Zero Coupon Notes*

Zero Coupon Notes may be issued at their principal amount or at a discount to it, applying an Amortisation Yield, and will not bear Interest. Zero Coupon Notes that are also Bearer Notes may be subject to certain formalities on transfer under the laws of Belgium.

### *8.3.5. Payment of the Interest*

Interest on the Notes will be payable in arrear on the applicable Interest Payment Date. The first payment of Interest will be on the first Interest Payment Date following the Issue Date. The last payment will be on the Maturity Date.

### *8.3.6. Benchmark Replacement*

Notwithstanding the other provisions in this Condition 8.3, if the Issuer determines that a Benchmark Event occurs in relation to the relevant Reference Rate when any Interest Rate (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Notes:

(i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with a Reference Rate Determination Agent (which may or may not be the same entity as the Calculation Agent) with a view to the Issuer determining (without any requirement for the consent or approval of the Noteholders) (A) a Successor Rate (as defined below) or, failing which, an Alternative Reference Rate (as defined below), for purposes of determining the Interest Rate (or the relevant component part thereof) applicable to the Notes and (B) in either case, an Adjustment Spread (as defined below);

(ii) if the Issuer is unable to appoint a Reference Rate Determination Agent prior to the Determination Cut-Off Date (as defined below), the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread (as defined below) in accordance with this Condition 8.3.6;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 8.3.6;

(iv) if the Issuer, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the Noteholders) also specify changes to these Terms and Conditions, including but not limited to (A) the Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Floating Rate Notes or Variable Linked Notes applicable to the Notes and (B) the method for determining the fall-back rate in relation to such Notes, in any such case in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate or any Adjustment Spread (as applicable). If the Issuer, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Fiscal Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Terms and Conditions as may be required in order to give effect to the application of this Condition 8.3.6. No consent shall be required from the Noteholders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps to be taken by the Fiscal Agent and any other agents party to the Agency Agreement (if required or useful); and

(v) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the Calculation Agent, the Fiscal Agent and, in

accordance with Condition 8.17, the Noteholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and these Terms and Conditions (if any).

A Reference Rate Determination Agent (which may be or may not be the same entity as the Calculation Agent) appointed pursuant to this Condition 8.3.6 shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Calculation Agent, the Fiscal Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 8.3.6.

Without prejudice to the obligations of the Issuer under this Condition 8.3.6, the Reference Rate and the other provisions in this Condition 8.3.6 will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and these Terms and Conditions (if any).

For the purposes of this Condition 8.3.6:

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

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iv) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Reference Rate Determination Agent (if any) and acting in good faith, determines to be appropriate.

"**Alternative Reference Rate**" means the rate that the Issuer determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the relevant Reference Rate.

"**Benchmark Event**" means:

(i) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the relevant Reference Rate stating that it will, by a specified date within the following six months, cease to publish the relevant Reference Rate, permanently or

indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or

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

(iv) a public statement by the supervisor or the administrator of the relevant Reference Rate that means that the relevant Reference Rate will be prohibited from being used within the following six months; or

(v) it has become unlawful for the Calculation Agent, the Fiscal Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any Noteholders using the relevant Reference Rate.

"**Determination Cut-Off Date**" means no later than five Business Days prior to the relevant Interest Determination Date (as applicable) relating to the next succeeding Interest Period.

"**Reference Rate**" means (i) the applicable reference rate specified in the Floating Rate Note Provisions of the Final Terms in respect of the Floating Rate applicable to the Floating Rate Notes or, as the case may be, (ii) the applicable reference rate specified in the Variable Linked Rate Note Provisions of the Final Terms in respect of the Market Rate applicable to the Variable Linked Rate Notes.

"**Reference Rate Determination Agent**" means either (i) an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense, (ii) the Calculation Agent or (iii) any affiliate of the Issuer or the Calculation Agent.

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

"**Successor Rate**" means the rate that the Issuer determines is a successor to, or replacement of, the Reference Rate (as applicable) which is formally recommended by any Relevant Nominating Body.

## *8.4. Definitions*

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|---|---|
| "**Averaging Dates**": | Means the dates specified as such in the relevant Final Terms.<br><br>If an Averaging Date in respect of the Underlying is not a Scheduled Trading Day, then, the Averaging Date for such Underlying shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Initial Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Underlying and, (2) the Calculation Agent shall determine its good faith estimate of the value for the Underlying as of the Valuation Time on that Averaging Date. |

If an Averaging Date for the Underlying is affected by the occurrence of a Disrupted Day, then, the Averaging Date for such Underlying shall be the first succeeding Valid Date. If the first succeeding Valid Date in respect of such Underlying has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Underlying and, (2) the Calculation Agent shall determine its good faith estimate of the value for the Underlying as of the Valuation Time on that Averaging Date.

"**Business Day**": Regarding the Notes issued outside the X/N System, "**Business Day**" means:

a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place(s) and on the days specified for that purpose in the related Final Terms, a TARGET Settlement Day, if "T2" or "TARGET Settlement Day" is specified for that purpose in the related Final Terms or if place(s) and days, or such terms, are not so specified in the related Final Terms.

Regarding the Notes that will be issued through the Securities Settlement System, "**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and

(ii) in the case of euro, (a) a day other than a Saturday or Sunday on which the NBB-SSS is operating and (b) a day on which banks and forex markets are open for general business in Belgium and (c) (if a payment in euro is to be made on that day), a day which is a business day for T2 (a "**TARGET Business Day**"); and

(iii) in the case of a currency other than euro and/or one or more business centres (the "**Business Centre(s)**"), as specified in the applicable Final Terms, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in each of the Business Centres.

"**Business Day Convention**": means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

(i) if "**Following**" is specified, that date will be the first following day that is a Business Day;

(ii) if "**Modified Following**" or "**Modified**" is specified, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and

(iii) if "**Preceding**" is specified, that date will be the first preceding day that is a Business Day.

In the event of Notes cleared to the Securities Settlement System, the Following Business Days Convention will always be applicable for Fixed Rate Notes (unless otherwise specified in the applicable Final Terms).

"**Calculation Agent**": means Belfius Bank, unless specified otherwise in the relevant Final Terms. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall have no responsibility to Noteholders for good faith errors or omissions in its calculations (without limitation, errors or omissions due to events which are not under the direct control of the Calculation Agent) and determinations as provided in the Terms and Conditions, except for those resulting from the gross negligence or intentional fault of the Calculation Agent. (see section 8.13 (*Responsibility of the Calculation Agent*) in this Base Prospectus).

**"Calculation Amount":** means the Denomination or such other Amount as specified in the applicable Final Terms.

"**Day Count Fraction**": means, in respect of the Notes and the calculation of the Interest:

(i) if "1/1" is specified or nothing is specified, 1;

(ii) if "**Actual/Actual-ICMA**" is specified in the applicable Final Terms:

(aa) if the Interest Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Interest Period divided by the product of:

(x) the number of days in such Determination Period; and

(y) the number of Determination Periods normally ending in any year;

and

(bb) if the Interest Period is longer than one Determination Period, the sum of:

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

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

where:

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

**"Determination Dates"** means the dates specified in the applicable Final Terms or, if none is so specified, the Interest Payment Date and, the Interest Commencement Date.

(iii) if "**Actual/Actual**" or "**Act/Act**" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of:

(a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366; and

(b) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(iv) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 365;

(v) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;

(vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

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

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

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

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

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

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

(vii) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

Where:

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

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

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

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

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

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case $D_2$ will be 30.

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

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

"**Hedge Positions**": means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or, in the case of Belfius Financing Company Notes, the Guarantor in order to hedge, individually or on a portfolio basis, the Notes.

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

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

"**Interest Determination Date**": means each date specified as such in the relevant Final Terms.

"**Interest Payment Date**": means each date, as specified in the relevant Final Terms, on which the Interest as determined by the Calculation Agent for the applicable Interest Period is payable in accordance with Condition 8.3.5. *Payment of the Interest*.

If such day is not a Business Day it will be adjusted by the Business Day Convention specified in the relevant Final Terms.

"**Interest Period**": means each period from, and including, one Interest Period End Date to, but excluding, the next following applicable Interest Period End Date, except that

the initial Interest Period will commence on, and include, the Interest Commencement Date.

"**Interest Period End Date**": If **"Adjusted"** is specified in the relevant Final Terms, Interest Period End Date means the relevant Interest Payment Date.

If **"No Adjustment**" is specified in the relevant Final Terms, Interest Period End Date means the relevant Interest Payment Date, without however applying any adjustment in accordance with the Business Day Convention specified to be applicable to the Interest Payment Dates.

If **"Adjusted"** or **"No Adjustment"** is not specified in the relevant Final Terms, the Interest Period End Date(s) shall be as specified in those Final Terms.

"**ISDA Definitions**": means (i) if "2006 ISDA Definitions" is specified in the relevant Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if "2021 ISDA Definitions" is specified in the relevant Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes.

"**Issue Date**": means the date on which the Notes are issued as specified in the relevant Final Terms.

"**Margin**": means the percentage rate specified as such in the relevant Final Terms, provided that (A) the Margin may be specified either (x) generally, or (y) in relation to one or more Interest Accrual Periods, (B) the Margin may be zero, and (C) if a Margin is specified, an adjustment shall be made (to all Floating Rates, in the case of sub-paragraph (x) of paragraph (A), or the Floating Rate for the specified Interest Accrual Periods, in the case of sub-paragraph (y) of paragraph (A)), by adding (if the Margin is a positive number) or subtracting (if the Margin is a negative number) the absolute value of such Margin.

"**Maturity Date**": means the date on which the Notes come to maturity as specified in the relevant Final Terms, unless such day is not a Business Day in which case it will be adjusted by the Following Business Day Convention, unless otherwise specified in the relevant Final Terms.

"**Maximum Rate**": means the percentage value (if any) specified as such in the relevant Final Terms.

"**Minimum Rate**": means the percentage value (if any) specified as such in the relevant Final Terms.

"**Reference Banks**": means, in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms.

"**Relevant Screen Page**": means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms, or any successor thereto or replacement page commonly accepted in the market, as determined by the Calculation Agent.

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| "**Relevant Time**": | means the time as of which any rate is to be determined as specified in the relevant Final Terms or, if none is specified, at which it is customary to determine such rate, and for these purposes, the Relevant Time in the case of EURIBOR shall be 11:00 a.m. Brussels time. |
| "**Specified Currency**": | means the currency of the Notes as specified in the relevant Final Terms. |
| "**TARGET Settlement Day**": | means any day on which T2 (the real time gross settlement system operated by the Eurosystem, or any successor system) is open. |
| "**Valid Date**": | means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date, or Initial Averaging Date as applicable, in respect of the relevant Valuation Date, or Initial Valuation Date as applicable, does not or is not deemed to occur. |

## *8.5. Redemption and Purchase*

### *8.5.1. Final Redemption*

Unless previously entirely redeemed, purchased and cancelled or unless its maturity is extended pursuant to an Issuer's or Noteholder's Option the Notes shall be redeemed on the Maturity Date. The Notes may not be redeemed prior to that date, without prejudice to the other provisions of these Terms and Conditions.

The Redemption of the Notes can be Variable Linked ("**Variable Linked Redemption Amount**"), in which case the Variable Linked Provisions below will apply.

### *8.5.2. Partial Redemption*

If Partial Redemption is provided to be applicable in the relevant Final Terms, the Notes shall be partially redeemed without giving notice to the Noteholders on the Partial Redemption Date(s) so provided in the relevant Final Terms. Any such partial redemption of Notes shall be at the relevant Partial Redemption Amount specified in the relevant Final Terms.

### *8.5.3. Redemption at the Option of the Issuer*

If a Call Option is provided to be applicable in the relevant Final Terms, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Optional Redemption Period redeem all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms. Any such redemption or exercise must relate to the Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed, as specified in the relevant Final Terms, and be no greater than the Maximum Redemption Amount to be redeemed, as specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice.

The above-described Redemption at the Option of the Issuer does not cover the situation of an early redemption upon the occurrence of a force majeure event or an Extraordinary Event, as specified in section 8.

### *8.5.4. Mandatory Early Redemption*

If Mandatory Early Redemption is provided to be applicable in the relevant Final Terms and one or more Trigger Events (as defined in the Final Terms), the Issuer shall without giving notice to the Noteholders automatically redeem all or, if so provided, some of the Notes in the principal amount or integral multiples thereof on the Mandatory Early Redemption Date(s) so provided in the relevant Final Terms once the Calculation Agent

determines that a Trigger Event has occurred. Any such redemption of Notes shall be at the Mandatory Early Redemption Amount specified in the relevant Final Terms.

The Trigger Events mentioned above can relate to the following (without however being exhaustive, these are merely examples):

- in case a Variable Linked Redemption Amount depends on the evolution of one or more Underlyings, a Trigger Event applies, for example, if the level of the relevant Underlying exceeds on a specified date a certain pre-defined value as specified in the relevant Final Terms;

- in case the relevant Notes bear interest, a Trigger Event applies, for example, if the sum of the Interest Amounts paid together with the Interest Amount payable on the next following Interest Payment Date exceeds an amount specified in the relevant Final Terms. As a consequence, the Interest Amount payable in respect of such Note for the relevant Interest Period may be capped in order not to exceed the amount specified in the relevant Final Terms.

#### *8.5.5. Repurchase*

The Issuer or, as applicable, the Guarantor and any of their subsidiaries may at any time purchase Notes in the open market or otherwise at any price. The price will be determined by the Issuer, the Guarantor or any of their subsidiaries at the relevant time. They will determine the price in accordance with market practice and at their discretion, but the investors will remain free to accept the proposed price, or to continue to hold their Notes.

#### *8.5.6. Cancellation*

All Notes purchased by or on behalf of the Issuer, as applicable, the Guarantor or any of their subsidiaries may thereafter be cancelled by the Fiscal Agent or by the Domiciliary Agent by a reduction of the principal amount of such notes. Any Notes so redeemed or purchased and cancelled in accordance with this Condition may not be reissued or resold and the obligations of the Issuer and, as applicable, the Guarantor in respect of any such Notes shall be discharged.

### *8.6. Payment*

Noteholders shall pay the Denominations on the subscribed Notes in cash at the time of subscription or by debit of the cash account linked to the securities account, in which Notes are to be held, on the Issue Date.

If the Issue Date is a day, which is not a Business Day in the place of payment of the Denominations, payment will be due on that day as adjusted by the Following Business Day Convention, unless otherwise specified in the relevant Final Terms.

Any amounts payable by the Issuer in respect of the Notes, be they Interests, Redemption Amounts or other, shall be made by transfer to the cash account communicated by the Noteholder to the Issuer or linked to the securities account in which the Notes are held, subject to all applicable laws and regulations.

If the date for payment of Interest, Redemption Amount or any other amount due to the Noteholders is a day which is not a Business Day in the place of payment, the Noteholders shall not be entitled to payment until the day as adjusted by the Following Business Day Convention, unless otherwise specified in the relevant Final Terms.

### *8.7. Variable Linked Provisions*

A Variable Linked Rate or a Variable Linked Redemption Amount can depend on the evolution of one or more Underlyings. If it is specified in the Final Terms that the Underlying is either (i) one or more Market Rates; (ii) a Share or a Basket of Shares, (iii) a Share Index or a Basket of Share Indices, (iv) a Fund or a Basket of Funds, (v) a Commodity or a Basket of Commodities, (vi) a Commodity Index or a Basket of Commodity Indices, or (vii) an Inflation Index, the applicable provisions below in relating to the respective Underlying will apply.

More information on the relevant index can be found via the channel(s) as specified in the Final Terms (as applicable).

### *8.7.1. Market Rate*

The Underlying can be a Market Rate, such as, for example, EUR-EURIBOR, EUR-EURIBOR ICE Swap Rate-11.00, USD-SOFR ICE Swap Rate or USD-SOFR-OIS Compound (each within the meaning of the 2021 ISDA Definitions) or any other Market Rate, as specified in the relevant Final Terms.

Please also refer to the provisions of *Condition 8.3.6 (Benchmark Replacement)*.

### *8.7.2. Share or Basket of Shares*

#### 8.7.2.1. Definitions

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| **Share:** | Means the share specified as such in the relevant Final Terms. |
| **Share Basket:** | Means a basket of shares as specified in the relevant Final Terms. |
| **i:** | The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Share in the Share Basket separately. |
| **w:** | Means the weight of a certain Share in the Share Basket. |
| **Exchange:** | Means each exchange or quotation system specified as such for such Share in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange). |
| **Related Exchange:** | Means, each exchange or quotation system specified as such for the relevant Share in the relevant Final Terms, 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 such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, "Related Exchange" shall mean 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 Share. |
| **Initial Price:** | Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the Relevant Price of the relevant Share at the Valuation Time on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Share or Share Basket as of the Valuation Time on each Initial Averaging Date. |
| **Final Price:** | Means the Relevant Price of the relevant Share on the relevant Valuation Date, as determined by the Calculation Agent, or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant Share or Share Basket as of the Valuation Time on each Averaging Date. |

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| **Initial Valuation Date:** | Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Share, the Initial Price of such Share shall be determined on the basis of the Relevant Price of such Share as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date. |
| **Valuation Date:** | Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Share, the Final Price of such Share shall be determined on the basis of the Relevant Price of such Share as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date. |
| **Relevant Price:** | Means the price of the relevant Share determined by the Calculation Agent at the Valuation Time on the Exchange. |
| **Valuation Time:** | Means the time on the relevant Valuation Date, specified as such in the related Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time. |
| **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:** | Means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions. |
| **Exchange Business Day:** | Means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time. |

#### 8.7.2.2. Market Disruption

"**Market Disruption Event**" means in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

In that respect, "**Trading Disruption**" means 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 (i) relating to the Share on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

In that respect, "**Exchange Disruption**" means 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) the Shares on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

In that respect, "**Early Closure**" means 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 Valuation Time on such Exchange Business Day.

In addition, in that respect "**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

If any Valuation Date is a Disrupted Day, then:

- if the Underlying is a Share, 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 Valuation Time on that eighth Scheduled Trading Day; and
- if the Underlying is a Basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date, and the Valuation Date for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Share. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Share, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Share as of the Valuation Time on that eighth Scheduled Trading Day.

**8.7.2.3. Potential Adjustment Events**

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date of a Potential Adjustment Event (as defined below), the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and if so will:

- make the corresponding adjustment(s), if any, to any relevant variable in the Variable Linked formulae of the Notes, which may include the Initial Price or the Final Price, used to calculate any Variable Linked Rate or Variable Linked Redemption Amount as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share); and
- determine the effective date(s) of the adjustment(s).

The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange.

For the purpose hereof, "**Potential Adjustment Event**" shall mean any of the following:

- a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or, a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of such Shares equally or proportionately with such payments to holders of such Shares, or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the issuer of the Shares as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- an extraordinary dividend as determined by the Calculation Agent;

- a call by the issuer of the relevant Shares in respect of such Shares that are not fully paid;
- a repurchase by the issuer of the relevant Shares or any of its subsidiaries of such Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- in respect of the issuer of the relevant Shares, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the issuer of the relevant Shares pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

If the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent may notify the Noteholders, in accordance with Condition 8.17 "Notices", that the relevant consequence of the Potential Adjustment Event shall be either in the case of a capital protected Note (i) the Monetization of the Notes, with the right for the Noteholders, as an alternative to the Monetization, to sell the Note to the Issuer at market value, or in other cases than of a capital protected Note (ii) the early redemption of the Notes at their Fair Market Value and in accordance with the principles and conditions explained under Section 8.

**8.7.2.4. Extraordinary Events**

"**Extraordinary Event**" means any of Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting, De-merger Event, or Insolvency Filing, as the case may be.

"**Merger Event**" means in respect of any relevant Shares:

- any reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person; or
- any consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Shares with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);
- any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the issuer of the relevant Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person); or
- any consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Shares or its subsidiaries with or into another entity in which the issuer of the relevant Shares is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "Reverse Merger") in each case if the effective date of the Merger Event is on or before the final Valuation Date.

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the issuer

of the relevant Shares, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

**"Nationalisation"** means that all the Shares or all the assets or substantially all the assets of the issuer of the relevant Shares are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the issuer of the relevant Shares, (A) all the Shares of that issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that issuer become legally prohibited from transferring them (each time as determined in good faith by the Calculation Agent).

**"Delisting"** means that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any member state of the European Union).

**"De-merger Event"** means that the issuer of the relevant Shares is affected by a de-merger (such as, but not limited to, spin off, scission or any operation of a similar nature) leading to the attribution of a basket comprising New Shares and/ or Other Consideration and/ or the relevant Share affected by the de-merger (as the case may be), such basket resulting from such de-merger.

In that respect, "**New Shares**" means ordinary or common shares, whether of the entity or person involved or a third party, that are promptly scheduled to be (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any member state of the European Union) and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations. Other Consideration means cash and/or any securities (other than New Shares) or assets whether of the entity or person involved or a third party.

**"Insolvency Filing"** means that the issuer of the relevant Shares institutes or has instituted against it by a regulator, supervisor, or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the issuer of the relevant Shares shall not be deemed an Insolvency Filing.

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date, in the determination of the Calculation Agent, of an Extraordinary Event in respect of any Share, the Calculation Agent, on or after the effective date of such Extraordinary Event, may make such adjustments as it, acting in good faith, deems appropriate (including substitution of any affected Share). Such adjustments to be effective as of the date determined by the Calculation Agent, to account for the effect of the relevant Extraordinary Event to protect the theoretical value of the Notes to the Noteholders immediately prior to such Extraordinary Event.

For the avoidance of doubt, if the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Extraordinary Event shall be either in the case of a capital protected Note (i) the Monetization of the Notes, or in other cases (ii) the early redemption of the Notes at their Fair Market Value and in accordance with the principles explained under Section 8.

### *8.7.3. Share Index or Basket of Share Indices*

The terms applicable to an Index will differ, depending on whether the Index is specified in the relevant Final Terms to be Multiple Exchange or not. The applicable provisions below will apply.

**8.7.3.1. Terms applicable irrespective of whether an Index is Multiple Exchange or not**

**Definitions**

| | |
|---|---|
| **Index:** | Means the index specified as such in the relevant Final Terms. |
| **Index Basket:** | Means a basket of indices as specified in the relevant Final Terms. |
| **i:** | The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Index in the Index Basket separately. |
| **w:** | Means the weight of a certain Index in the Index Basket. |
| **Index Sponsor:** | Means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level for the relevant Index on a regular basis during each Scheduled Trading Day. |
| **Initial Price:** | Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the level of the relevant Index at the Valuation Time on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the levels of the relevant Index as of the Valuation Time on each Initial Averaging Date. |
| **Final Price:** | Means the level of the relevant Index at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the levels of the relevant Index as of the Valuation Time on each Averaging Date. |
| **Initial Valuation Date:** | Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Index, the Initial Price of such Index shall be determined on the basis of the level of such Index as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date. |
| **Valuation Date:** | Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Index, the Final Price of such Index shall be determined on the basis of the level of such Index as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date. |
| **Relevant Price** | Means the level of the relevant Index determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date. |
| **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. |

**Consequences of Disrupted Days**

If any Valuation Date is a Disrupted Day, then:

- if the Underlying is an Index, 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 Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the 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 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); and

- if the Underlying is a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that 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 that 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).

**Adjustment to Indices**

- If a relevant 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 that Index, then that index (the "**Successor Index**") will be deemed to be the Index.

- If (i) on or prior to any Valuation Date in respect of an Index, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) on any Valuation Date, the Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and if so, shall calculate the level of the Index, using, in lieu of a published level for that Index, the level for that Index as at that Valuation Date as determined by the Calculation Agent in accordance with the formula for and the method of calculating that 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.

For the purpose hereof "**Index Sponsor**" means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day.

For the avoidance of doubt, if the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Extraordinary Event shall be either in the case of a capital protected Note (i) the Monetization of the Notes, or in other cases (ii) the early redemption of the Notes at their Fair Market Value and in accordance with the principles explained under Section 8.

**8.7.3.2. Terms applicable to an Index that is not Multiple Exchange**

| | |
|---|---|
| **Exchange:** | Means each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange). |
| **Related Exchange:** | Means, each exchange or quotation system specified as such for the relevant Index in the relevant Final Terms, 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 such 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 such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, "Related Exchange" shall mean 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 Index. |
| **Valuation Time:** | Means the time on the relevant Valuation Date, specified as such in the related Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time. |
| **Scheduled Trading Day:** | Means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions. |
| **Exchange Business Day:** | Means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time. |

**Market Disruption**

"**Market Disruption Event**" means in respect of an Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

In that respect, "**Trading Disruption**" means 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 (i) relating to securities that comprise 20 percent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

In that respect, "**Exchange Disruption**" means 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) securities that comprise 20 percent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

In that respect, "**Early Closure**" means the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of the relevant Index 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 Valuation Time on such Exchange Business Day.

In addition, in that respect "**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**8.7.3.3. Terms applicable to an Index that is Multiple Exchange**

| | |
|---|---|
| **Exchange:** | Means in respect of each component security of the Index (each, a "Component Security"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent. |
| **Related Exchange:** | Means, each exchange or quotation system specified as such for the relevant Index in the relevant Final Terms, 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 such 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 such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, "Related Exchange" shall mean 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 Index. |
| **Valuation Time:** | Means: (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official level of the Index is calculated and published by the Index Sponsor. |
| **Scheduled Trading Day:** | Means any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session. |
| **Exchange Business Day:** | Means any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index; and (ii) 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. |

"**Market Disruption Event**" means either

(i) (a) the occurrence or existence, in respect of any Component Security of:

(1) 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;

(2) 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

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

(b) the aggregate of all 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 Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case 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 (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event in respect of any Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security and (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

In that respect, "**Trading Disruption**" means 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 (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

In that respect, "**Exchange Disruption**" means 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 the Index on the Related Exchange.

In that respect, "**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (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 Valuation Time on such Exchange Business Day.

In addition, in that respect "**Disrupted Day**" means any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.

### *8.7.4. Fund or Basket of Funds*

#### 8.7.4.1. Definitions

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|---|---|
| **Reference Fund:** | Means the Reference Fund specified as such in the relevant Final Terms. |
| **Fund Basket:** | Means a basket of Reference Funds as specified in the relevant Final Terms. |

| | |
|---|---|
| **i:** | The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Reference Fund in the Fund Basket separately. |
| **w:** | Means the weight of a certain Reference Fund in the Fund Basket. |
| **Fund Interest Unit:** | Means a notional unit of account of ownership in a Reference Fund, whether a share or another type of unit. |
| **Initial Price:** | Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the Relevant Price of a Fund Interest Unit in the relevant Reference Fund for the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Fund Interest Unit in the relevant Reference Fund as of the Valuation Time on each Initial Averaging Date. |
| **Final Price:** | Means the Relevant Price of a Fund Interest Unit in the relevant Reference Fund for the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant Fund Interest Unit in the relevant Reference Fund as of the Valuation Time on each Averaging Date. |
| **Initial Valuation Date:** | Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Fund Valuation Date in respect of the relevant Reference Fund, the Initial Price of a Fund Interest Unit in such Reference Fund shall be determined on the basis of the Relevant Price of such Fund Interest Unit as calculated on the immediately following Scheduled Fund Valuation Date, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date. |
| **Valuation Date:** | Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Fund Valuation Date in respect of the relevant Reference Fund, the Final Price of a Fund Interest Unit in such Reference Fund shall be determined on the basis of the Relevant Price of such Fund Interest Unit as calculated on the immediately following Scheduled Fund Valuation Date, or, if Averaging is specified as applicable, means the final Averaging Date. |
| **Relevant Price:** | Means the price of the relevant Fund Interest Unit as published by the Fund Administrator.<br><br>In case a price in respect of any Valuation Date is not published by the fourth Scheduled Fund Valuation Date, the Calculation Agent may determine such price taking into account prevailing market conditions. |
| **Scheduled Fund Valuation Date:** | Means any date in respect of which the relevant Reference Fund (or its service provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interest Units); to determine the value of such Fund Interest Unit or, if the relevant Reference Fund only reports its aggregate net asset value, the date in respect of which such Reference Fund is scheduled to determine its aggregate net asset value. |
| **Fund Documents:** | Means, with respect to any Fund Interest Unit, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest Unit, as amended from time to time. |

**8.7.4.2. Potential Adjustment Events**

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date of a Potential Adjustment Event (as defined below), the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units and if so will:

(i) make the corresponding adjustment(s), if any, to any relevant variable in the Variable Linked formulae of the Notes, which may include the Initial Price or the Final Price, used to calculate any Variable Linked Rate or Variable Linked Redemption Amount as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest Unit); and

(ii) determine the effective date(s) of the adjustment(s).

For the purpose hereof, "**Potential Adjustment Event**" shall mean any of the following:

- a subdivision, consolidation or reclassification of the relevant Fund Interest Units or a free distribution or dividend of any such Fund Interest Units to existing holders by way of bonus, capitalisation or similar issue;

- a distribution, issue or dividend to existing holders of the relevant Fund Interest Units of (a) an additional amount of such Fund Interest Units, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Fund Interest Units, or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- an extraordinary dividend as determined by the Calculation Agent;

- a repurchase by the Reference Fund of relevant Fund Interest Units whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interest Units initiated by a Noteholder in such Fund Interest Units initiated by a Noteholder in such Fund Interest Units that is consistent with the Fund Documents; or

- any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units.

If the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Potential Adjustment Event shall be either in the case of a capital protected Note (i) the Monetization of the Notes, with the right for the Noteholders, as an alternative to the Monetization, to sell the Note to the Issuer at market value, or in other cases than the capital protected Note (ii) the early redemption of the Notes at their Fair Market Value and in accordance with the principles and conditions explained under Section 8.

**8.7.4.3. Extraordinary Events**

Means any of Nationalisation, Insolvency, Fund Insolvency Event, Fund Modification, Strategy Breach, Regulatory Action and Reporting Disruption.

"**Nationalisation**" means that all the Fund Interest Units or all or substantially all the assets of a Reference Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**Insolvency**" means that by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Fund, (i) all the Fund Interest Units of that Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Interest Units of that Reference Fund become legally prohibited from transferring or redeeming them.

"**Fund Insolvency Event**" means, in respect of any Fund Interest Unit, that the related Reference Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (v) through (vi) above.

"**Fund Modification**" means (i) any change or modification of the related Fund Documents that could reasonably be expected to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent, or (ii) the Reference Fund Investment Manager imposes fees or dealing rules that increase the effective dealing costs relating to any Reference Fund.

"**Strategy Breach**" means any breach or violation of any strategy or investment guidelines stated in the related Fund Documents that is reasonably likely to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent.

"**Regulatory Action**" means, with respect to any Fund Interest Unit, (i) cancellation, suspension or revocation of the registration or approval of such Fund Interest Unit or the related Reference Fund by any governmental, legal or regulatory entity with authority over such Fund Interest Unit or Reference Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Reference Fund that is reasonably likely to have an adverse impact on the value of such Fund Interest Unit or on any investor therein (as determined by the Calculation Agent), or (iii) the related Reference Fund or its Fund Investment Manager becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund or Fund Investment Manager.

"**Reporting Disruption**" means, in respect of any Fund Interest Unit, the occurrence of any event affecting such Fund Interest Unit that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest Unit, and such event is expected to continue for the foreseeable future.

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date, in the determination of the Calculation Agent, of an Extraordinary Event in respect of any Reference Fund, the Calculation Agent, on or after the effective date of such Extraordinary Event, may make such adjustments as it, acting in good faith, deems appropriate (including substitution of any affected Reference Fund). Such adjustments to be effective as of the date determined by the Calculation Agent, to account for the effect of the relevant Extraordinary Event to protect the theoretical value of the Notes to the Noteholders immediately prior to such Extraordinary Event.

For the avoidance of doubt, if the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Extraordinary Event shall be either in the case of a capital protected Note (i) the Monetization of the Notes, with the right for the Noteholders, as an alternative to the Monetization, to sell the Note to the Issuer at market value, or in other cases than the capital protected Note (ii) the early redemption of the Notes at their Fair Market Value and in accordance with the principles and conditions explained under Section 8.

### *8.7.5. Commodity or Basket of Commodities*

#### 8.7.5.1. Definitions

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|---|---|
| **Commodity:** | Means the Commodity specified as such in the relevant Final Terms. |
| **Commodity Basket:** | Means a basket of Commodities as specified in the relevant Final Terms. |
| **i:** | The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Commodity in the Commodity Basket separately. |
| **w:** | Means the weight of a certain Commodity in the Commodity Basket. |
| **Initial Price:** | Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the price of the relevant Commodity on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Commodity or Commodity Basket as of the Valuation Time on each Initial Averaging Date. |
| **Final Price:** | Means the price of the relevant Commodity at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant Commodity or Commodity Basket as of the Valuation Time on each Averaging Date. |
| **Initial Valuation Date:** | Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Commodity Business Day in respect of the relevant Commodity, the Initial Price of such Commodity shall be determined on the basis of the price of such Commodity as calculated on the immediately following Commodity Business Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date. |
| **Valuation Date:** | Means any date specified as such in the relevant Final Terms, and if such date is not a Commodity Business Day in respect of the relevant Commodity, the Final Price of such Commodity shall be determined on the basis of the Relevant Price of such Commodity as calculated on the immediately following Commodity Business Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date. |
| **Relevant Price** | Means the price of the relevant Commodity determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date. |
| **Commodity Business Day:** | Means for the relevant Commodity a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time. |
| **Exchange:** | Means the exchange or principal trading market specified in the relevant Final Terms. |

**8.7.5.2. Market Disruption**

"**Market Disruption Event**" means any of (i) Price Source Disruption, (ii) Trading Disruption, (iii) Disappearance of Commodity, (iv) Material Change in Formula, (v) Material Change in Content or (vi) Tax Disruption, as defined below, except that for a Commodity that is Bullion, (iv) Material Change in Formula and (v) Material Change in Content will not apply.

"**Price Source Disruption**" means (A) the failure of the Price Source to announce or publish the price (or the information necessary for determining the price) for the relevant Commodity; or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

"**Trading Disruption**" means the material suspension of, or the material limitation imposed on, trading in the futures contract on the Commodity or the Commodity on the Exchange. For these purposes:

a suspension of the trading in the futures contract on the Commodity or the Commodity on any Commodity Business Day shall be deemed to be material only if:

all trading in the futures contract on the Commodity or the Commodity is suspended for the entire day; or

all trading in the futures contract on the Commodity or the Commodity is suspended subsequent to the opening of trading on that day, trading does not recommence prior to the regularly scheduled close of trading in such futures contract on the Commodity or Commodity on such day and such suspension is announced less than one hour preceding its commencement; and

a limitation of trading in the futures contract on the Commodity or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the futures contract on the Commodity or the Commodity may fluctuate and the closing or settlement price of the futures contract on the Commodity or the Commodity on such day is at the upper or lower limit of that range.

"**Disappearance of Commodity**" means:

the permanent discontinuation of trading, in the relevant futures contract on the Commodity; or

the disappearance of, or of trading in, the relevant Commodity; or

the disappearance or permanent discontinuance or unavailability of a price for the Commodity, notwithstanding the availability of the related Price Source or the status of trading in the relevant futures contract on the Commodity or the relevant Commodity.

"**Material Change in Formula**" means the occurrence of a material change in the formula for or the method of calculating the relevant price of the Commodity.

"**Material Change in Content**" means the occurrence of a material change in the content, composition or constitution of the Commodity or relevant futures contract on the Commodity.

"**Tax Disruption**" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal.

"**Bullion**" means Gold, Silver, Platinum or Palladium, as the case may be.

In case a Market Disruption Event occurs the Calculation Agent will determine in good faith and in a commercially reasonable manner the Final Price of the relevant Commodity (or a method for determining the Final Price of the relevant Commodity).

If the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Potential Adjustment Event shall be either in the case of a capital protected Note (i) the Monetization of the Notes, with the right for the Noteholders, as an alternative to the Monetization, to sell the Note to the Issuer at market value, or in other cases than the capital protected Note (ii) the early redemption of the Notes at their Fair Market Value and in accordance with the principles and conditions explained under Section 8.

### *8.7.6. Commodity Index or Basket of Commodity Indices*

#### *8.7.6.1. Definitions*

| | |
|---|---|
| **Commodity Index:** | Means the Commodity Index specified as such in the relevant Final Terms. |
| **Commodity Index Basket:** | Means a basket of Commodities Indices as specified in the relevant Final Terms. |
| **i:** | The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Commodity Index in the Commodity Index Basket separately. |
| **w:** | Means the weight of a certain Commodity Index in the Commodity Index Basket. |
| **Initial Price:** | Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the level of the relevant Commodity Index or Basket on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the levels of the relevant Commodity Index or Commodity Index Basket as of the Valuation Time on each Initial Averaging Date. |
| **Final Price:** | Means the level of the relevant Commodity Index at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the levels of the relevant Commodity Index or Commodity Index Basket as of the Valuation Time on each Averaging Date. |
| **Initial Valuation Date:** | Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Publication Day in respect of the relevant Commodity Index, the Initial Price of such Commodity Index shall be determined on the basis of the price of such Commodity Index as calculated on the immediately following Scheduled Publication Day, subject to the occurrence of any Commodity Index Event, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date. |
| **Valuation Date:** | Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Publication Day in respect of the relevant Commodity Index, the Final Price of such Commodity Index shall be determined on the basis of the Relevant Price of such Commodity Index as calculated on the immediately following Scheduled Publication Day, subject to the occurrence of any Commodity Index Event, or, if Averaging is specified as applicable, means the final Averaging Date. |
| **Relevant Price** | Means the level of the relevant Commodity Index or Commodity Index Basket determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date. |

| | |
|---|---|
| **Scheduled Publication Day:** | Means any day on which the Commodity Index Sponsor is scheduled to publish the level of the relevant Commodity Index. |
| **Commodity Index Sponsor:** | Means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Commodity Index and (b) announces (directly or through an agent) the level of the Commodity Index on a regular basis. |

#### *8.7.6.2. Commodity Index Event*

If, in the opinion of the Calculation Agent, any Commodity Index is modified by the Commodity Index Sponsor, cancelled by the Commodity Index Sponsor, replaced by a successor commodity index or remains unpublished by the Commodity Index Sponsor, or if, in the opinion of the Calculation Agent, a Commodity Index Market Disruption Event occurs (any of the above events, a "**Commodity Index Event**"), the Calculation Agent shall determine in its sole discretion, but in good faith and in a commercially reasonable manner, how such Commodity Index Event affects the Notes and what it consequences should be.

For the avoidance of doubt, if the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Commodity Index Event shall be either in the case of a capital protected Note (i) the Monetization of the Notes, with the right for the Noteholders, as an alternative to the Monetization, to sell the Note to the Issuer at market value, or in other cases than the capital protected Note (ii) the early redemption of the Notes at their Fair Market Value and in accordance with the principles and conditions explained under Section 8.

A "**Commodity Index Market Disruption Event**" means any of (a) the termination or suspension of, or material limitation or disruption in, the trading of any exchange-traded futures contract included in a relevant Commodity Index, and (b) the settlement price of any such contract has increased or decreased by an amount equal to the maximum permitted price change from the previous day's settlement price, or (c) the exchange fails to publish official settlement prices for any such contract.

### *8.7.7. Inflation Index*

#### 8.7.7.1. Definitions

| | |
|---|---|
| **Index:** | Means the index specified as such in the relevant Final Terms. |
| **Initial Index:** | Means the level of the index determined by the Calculation Agent in accordance with the relevant Final Terms. |
| **Final Index:** | Means the level of the index determined by the Calculation Agent in accordance with the relevant Final Terms. |
| **Index Sponsor:** | Means the sponsor of the Index as specified in the Final Terms. |
| **Reference Month:** | Means the calendar month for which the level of the Index was reported, regardless of when this information is published or announced. |

#### 8.7.7.2. Events affecting the Index

(i) Delay of Publication

If any level of the Index for a Reference Month has not been published or announced by the day that is five Business Days prior to the next Interest Payment Date, the Calculation Agent may either determine the level of the Index based on its own calculations or make any adjustment to the Notes as it may deem appropriate.

If the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent may notify the Noteholders, in accordance with Condition 8.17 (*Notices*), that the Notes will be redeemed early. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of the Notes.

(ii) Cessation of Publication

If a level for the Index has not been published or announced for two consecutive months or the Index Sponsor announces that it will no longer continue to publish or announce the Index then the Calculation Agent may determine a successor Index or make any adjustment to the Notes as it may deem appropriate.

If the Calculation Agent determines that no appropriate successor Index exists, or that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent may notify the Noteholders, in accordance with Condition 8.17 (*Notices*), that the Notes will be redeemed early. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of the Notes.

(iii) Rebasing of the Index

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased will be used for purposes of determining the level of the Index from the date of such rebasing; provided, however, that the Calculation Agent may make such adjustments to the Notes as it may deem appropriate.

If the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent may notify the Noteholders, in accordance with Condition 8.17 (*Notices*), that the Notes will be redeemed early. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of the Notes.

(iv) Material Modification

If, on or prior to the day that is five Business Days before an Interest Payment Date, the Index Sponsor announces that it will make a material change to the Index, then the Calculation Agent may make any such adjustment to the Index or to the Notes as it may deem appropriate.

If the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent may notify the Noteholders, in

accordance with Condition 8.17 (*Notices*), that the Notes will be redeemed early. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of the Notes.

If the Calculation Agent determines that the event significantly modifies the economy of the Note regardless of any adjustment the Calculation Agent could make, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence shall be either in the case of a capital protected Note (i) the Monetization of the Notes, with the right for the Noteholders, as an alternative to the Monetization, to sell the Note to the Issuer at market value, or in other cases than the capital protected Note (ii) the early redemption of the Notes at their Fair Market Value and in accordance with the principles and conditions explained under Section 8.

## *8.8. 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.

## *8.9. Status of the Notes and waiver of set-off*

### *8.9.1. Status of the Notes*

1. Belfius Bank Notes

On 31 July 2017, Belgium adopted a legislation establishing a new category of debt securities available to credit institutions. The law provides for a new Article 389/1 into the Banking Law. In particular, Article 389/1 aims at increasing the effectiveness of the bail-in tool and introduces a new category of claims in the statutory creditor hierarchy in the case of a liquidation procedure (*procédure de liquidation/liquidatieprocedure*) of a credit institution. Article 389/1 of the Banking Law now divides senior notes into: (i) senior preferred notes, retaining the same ranking as the previous senior notes; and (ii) senior non-preferred notes. Senior non-preferred notes are direct, unconditional, senior, and unsecured (*chirographaires/chirografair*) obligations. In the case of liquidation, they will rank senior to subordinated notes but junior to both ordinary senior preferred notes and to claims benefiting from legal or statutory preferences. Furthermore, senior non-preferred notes must have the following characteristics: they may not contain embedded derivatives or be derivatives themselves (it being understood that floating rate debt instruments which are derived from a commonly used reference rate and debt instruments which are not denominated in the national currency of the issuer, provided that principal, repayment and interest are denominated in the same currency, may not solely on the basis of these characteristics be considered as debt instruments containing embedded derivatives); their maturity may not be less than one year; and their terms must expressly provide that the claim is unsecured (*chirographaire/chirografair*) and that their ranking is as set forth in Article 389/1, 2° of the Banking Law.

The Belfius Bank Notes are senior preferred notes and the payments of principal and interest relating to them are direct, unconditional and unsecured obligations of Belfius Bank and rank at all times:

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

(ii) senior to (a) any obligations or other instruments issued by Belfius Bank which fall or are expressed to fall within the category of obligations as referred under Article 389/1, 2° of the Banking Law and (b) any obligations ranking *pari passu* with or junior to obligations mentioned under (a); and

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

2. Belfius Financing Company Notes

The Belfius Financing Company Notes are senior preferred notes and the payments of principal and interest relating to them are direct, unconditional and unsecured obligations of Belfius Financing Company and rank at all times *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of Belfius Financing Company, present and future (other than in respect of statutorily preferred creditors).

### *8.9.2. Waiver of set-off*

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

## *8.10. Clearing Systems*

For any Notes issued in dematerialised or bearer form, the clearing systems operated by Euroclear, Clearstream Banking S.A., the Securities Settlement System (NBB-SSS), and such other clearing system as may be agreed between the Issuer and the Fiscal Agent or Domiciliary Agent and as specified in the relevant Final Terms.

## *8.11. Events of Default*

If and only if any of the following events occurs and is continuing (each an "**Events of Default**"), any Noteholder may by written notice to the Issuer and, in the case of Belfius Financing Company Notes, the Guarantor at its or their specified office declare his Note or Notes immediately due and payable with the following consequences (unless, such Event of Default shall have been remedied prior to the receipt of such notice):

(a) if default is made by the Issuer for a period of 30 calendar days or more in the payment of interest on the Notes when and as the same shall become due and payable; or

(b) in the event of default by the Issuer or, in the case of Belfius Financing Company Notes, the Guarantor, as the case may be, in the due performance of any other obligation under the terms and conditions of the Notes, unless remedied within 45 days after receipt of a written notice thereof given by any Noteholder; or

(c) in the event of a merger, consolidation or other reorganisation of the Issuer or, as applicable, the Guarantor with, or a sale or other transfer by the Issuer or, as applicable, the Guarantor of all or a substantial part of its assets to, any other incorporated or unincorporated person or legal entity, unless, in each case not involving or arising out of insolvency, the person or entity surviving such merger, consolidation or other reorganisation or to which such assets shall have been sold or transferred shall have assumed expressly and effectively or by law all obligations of the Issuer or, as applicable, the Guarantor, as the case may be, with respect to the Notes and, the interests of the holders of Notes are not materially prejudiced thereby; or

(d) in the event that the Issuer or, as applicable, the Guarantor is adjudicated bankrupt or insolvent, or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of its creditors, or enters into a composition with its creditors, or applies for a moratorium, or institutes or has

instituted any proceedings under any applicable bankruptcy law, insolvency law, composition law or any law governing the appointment of a receiver, administrator, trustee or other similar official for the whole or any substantial part of its assets or property or any other similar law, or in the event that any such proceedings are instituted against the Issuer or, as applicable, the Guarantor and remain undismissed for a period of 30 days, or

(e) if, for any reason, the Guarantee ceases to be in full force and effect.

Notice of any Event of Default shall be given to the Noteholders in accordance with Condition 8.17. *Notices*.

## *8.12. Modifications of the Agency Agreement*

The Issuer and, as applicable, the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

## *8.13. Responsibility of the Calculation Agent*

All calculations shall be made in a commercially reasonable manner. The Calculation Agent shall have no responsibility to Noteholders for good faith errors or omissions in its calculations (without limitation, errors or omissions due to events which are not under the direct control of the Calculation Agent) and determinations as provided in the Terms and Conditions, except for those resulting from the gross negligence or intentional fault of the Calculation Agent. The calculations and determinations of the Calculation Agent shall be made in accordance with the Terms and Conditions (having regard in each case to the criteria stipulated herein and where relevant on the basis of information provided to or obtained by employees or officers of the Calculation Agent responsible for making the relevant calculation or determination) and shall, in the absence of manifest error, be final, conclusive and binding on the Issuer and the Noteholders. The Calculation Agent acts solely as agent of the Issuer and does not assume any obligations or duty to, or any relationship of agency or trust for or with, the Noteholders. The Calculation Agent will make its determinations in a reasonable manner, taking into account the Terms and Conditions. The Calculation Agent will not act in an entirely discretionary manner, but will instead act in a reasonable manner, taking into account market practices and the economics of the product represented by the Notes.

## *8.14. Prescription*

Claims against the Issuer or, in the case of Belfius Financing Company Notes, the Guarantor for payment in respect of any Note shall be prescribed in accordance with Article 2262 and following of the old Belgian Civil Code (*oud Burgerlijk Wetboek*/*ancien Code Civil*) of 21 March 1804 and become void unless made within five years from the date on which such payment first becomes due (in respect of interest) and within ten years from the date on which such payment become due (in respect of capital).

## *8.15. Currency Indemnity*

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note is due (whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or, in the case of Belfius Financing Company Notes, the Guarantor or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer or, in the case of Belfius Financing Company Notes, the Guarantor shall only constitute a discharge to the Issuer or, in the case of Belfius Financing Company Notes, the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer, failing whom, in the case of Belfius

Financing Company Notes, the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom, in the case of Belfius Financing Company Notes, the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and, in the case of Belfius Financing Company Notes, the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

## *8.16. Substitution*

(i) In case of dissolution, liquidation, reconstruction, merger, amalgamation or any other kind of reorganisation, the Issuer and, in the case of Belfius Financing Company Notes, the Guarantor may, without any further consent or cooperation from the Noteholders, at any time, procure that any affiliated or associated corporation of the Issuer or, in the case of Belfius Financing Company Notes, the Guarantor is substituted for the Issuer as the debtor under the Terms and Conditions to be offered by assigning all its rights and obligations to such other corporation (the "**Substituted Issuer**"), whether by way of transfer of contract (on the basis of Article 5.193 of the Belgian Civil Code), novation (on the basis of Article 5.245 and following of the Belgian Civil Code) or otherwise. For the avoidance of doubt, any other kind of reorganisation to which reference is made in the preceding sentence also encompasses the situation where the Guarantor decides, based on a decision of the Board of Directors of Belfius Bank, to substitute itself for Belfius Financing Company. The Substituted Issuer must have a long-term debt rating of at least the same level as the one of the relevant Issuer at the time of substitution, if any, and provided that:

(a) no payment of any Redemption Amount or of interest on any Note is overdue and no other circumstances exist capable of causing the acceleration or redemption of the Notes;

(b) the Substituted Issuer shall agree to indemnify the holders of each Note against: all tax, duty, fee or governmental charge which is imposed on such holder by the jurisdiction of the country of the Substituted Issuer's residence for tax purposes and, if different, of its incorporation or any political subdivision or taxing authority thereof or therein with respect to such Note and which would not have been so imposed had such substitution not been made; and any costs or expenses incurred in connection with any such substitution; and

(c) in the case of Belfius Financing Company Notes, the Guarantor agrees on the provisions of such substitution as described herein, undertakes that the provisions in the Guarantee with respect to the relevant Issuer will apply to the Substituted Issuer in the event of such substitution and shall be bound by all the obligations to be fulfilled by it under the Guarantee and the Terms and Conditions of the Notes as a result of such substitution and such obligations shall be legal, valid and enforceable; if the Issuer is substituted by the Guarantor, there is no requirement for an additional and separate guarantee of the obligations under the Notes.

(ii) The Issuer hereby irrevocably and unconditionally guarantees that the Substituted Issuer shall pay all amounts of Redemption Amount of and interest on the Notes when due. In the event of substitution, this guarantee ceasing to be the valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, shall constitute an Event of Default.

(iii) In the event of substitution all references in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substituted Issuer and, in the event of substitution of Belfius Financing Company as Issuer, the references in Condition 8.19 (*Taxation*) to Luxembourg shall be deemed to be to the country where the Substituted Issuer has its domicile or tax residence.

(iv) The Substituted Issuer obtains all necessary governmental and regulatory approvals and consents.

(v) Any potential compensation due by Belfius shall be limited to the net incremental tax cost borne by the investor. For example, if a withholding tax would become due further to the Substitution, but this withholding tax comes in lieu of a taxation (at the same tax rate) otherwise due further to an obligation to report (part of) the income in the personal income tax return, then no additional compensation is due (on this part). Similarly, no compensation is due if i) the investor is entitled to a tax credit for this withholding tax through the tax return or ii) for the part of the withholding tax for which the investor is entitled to claim a reduction based on the applicable income tax treaty.

Notice of any substitution shall be given to the Noteholders in accordance with Condition 8.17 (*Notices*).

## *8.17. Notices*

All notices to holders of Notes (including notices to convene a meeting of Noteholders) will be deemed to have been validly given if given (i) through the Securities Settlement System (in case of Belfius Bank Notes and Belfius Financing Company Notes which are held in the Securities Settlement System), (ii) through the systems of Euroclear and Clearstream Banking S.A. (in case of Belfius Financing Company Notes which are held in the systems of Euroclear and Clearstream Banking S.A.) or (iii) by ordinary mail (with acknowledgement of receipt) to the postal address or by email (with acknowledgement of receipt) to the email address, each as communicated by the Noteholder to the Issuer (in case of Belfius Financing Company Notes issued in registered form), in accordance with the procedures of the relevant clearing system, if applicable, and the relevant company law rules, if mandatorily applicable.

If the Notes are held in a securities account, all notices to the Noteholders shall be validly given by a direct notification, in the case of Belfius Financing Company Notes from the Paying Agent to the Noteholders and, in the case of Belfius Bank Notes from Belfius Bank to the Noteholders, each time as the Issuer in his discretionary opinion shall deem necessary to give fair and reasonable notice to the Noteholders. Any such notice shall be deemed to have been given on the date immediately following the date of notification from the Paying Agent in case of Belfius Financing Company Notes, and from Belfius Bank in case of Belfius Bank Notes.

Any notice by ordinary mail or by email in case of Belfius Financing Company Notes issued in registered form shall be deemed to have been given on the date of acknowledgement of receipt.

## *8.18. Meeting of Noteholders*

### *8.18.1. Definitions*

1. references to a meeting are to a meeting of Noteholders of a single Series of Notes and include, unless the context otherwise requires, any adjournment

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

3. "**agent**" means a holder of a voting certificate or a proxy for, or representative of, a Noteholder

4. "**block voting instruction**" means an instruction issued in accordance with clause 8.18.4. paragraphs 4 to 8

5. "**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with this Agreement by a majority of at least 75 per cent of the votes cast

6. "**voting certificate**" means a certificate issued in accordance with clause 8.18.4 paragraphs 1, 2, and 3 and

7. references to persons representing a proportion of the Notes are to Noteholders or agents holding or representing in the aggregate at least that proportion in principal amount of the Notes for the time being outstanding.

### *8.18.2. Powers of meetings*

A meeting shall, subject to the Terms and Conditions and without prejudice to any powers conferred on other persons by the Agency Agreement, have power by Extraordinary Resolution:

1. to sanction any proposal by the relevant Issuer or the Guarantor or any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or the Guarantor, whether or not those rights arise under the Notes

2. to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, the Guarantor or any other entity

3. to assent to any modification of the Agency Agreement, the Notes proposed by the Issuer, the Guarantor, the Fiscal Agent or the Domiciliary Agent

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

5. to give any authority, direction or sanction required to be given by Extraordinary Resolution

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

7. to approve the substitution of any entity for the relevant Issuer or the Guarantor (or any previous substitute) as principal debtor or guarantor in circumstances not provided for in the Terms and Conditions

8. provided that the special quorum provisions in clause 8.18.7. paragraph 4 shall apply to any Extraordinary Resolution (a "special quorum resolution") for the purpose of sub-paragraph 2 or 7.

### *8.18.3. Convening a meeting*

1. The relevant Issuer or the Guarantor may at any time convene a meeting. If it receives a written request by Noteholders holding at least 10 per cent in principal amount of the Notes of any Series for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Issuer shall convene a meeting of the Noteholders of that Series. The meeting shall be held at a time and place as determined by the Issuer or, where applicable, the Guarantor, subject to, in the case of Belfius Financing Company Notes, approval by the Fiscal Agent or the Domiciliary Agent.

2. At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Noteholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies or representatives, obtain voting certificates and use block voting instructions and the details of the time limits applicable.

### *8.18.4. Arrangements for voting*

1. If a Noteholder Note wishes to obtain a voting certificate in respect of it for a meeting, he must notify the Paying Agent at least 48 hours before the time fixed for the meeting. The Paying Agent shall then issue a voting certificate in respect of it.

2. A voting certificate shall:

- be a document in the English language;
- be dated;
- specify the meeting concerned and the serial numbers of the Notes; and

- entitle, and state that it entitles, its bearer to attend and vote at that meeting in respect of those Notes.

3. Once a Paying Agent has issued a voting certificate for a meeting in respect of a Note, it shall, in relation to Notes issued in dematerialised or global form, not release the Note until either:

- the meeting has been concluded; or
- the voting certificate has been surrendered to the Paying Agent.

In relation to Notes issued in registered form, the Noteholder will not be able to transfer the Note until either:

- the meeting has been concluded; or
- the voting certificate has been surrendered to the Paying Agent.

4. If a Noteholder wishes the votes attributable to it to be included in a block voting instruction for a meeting, then, at least 48 hours before the time fixed for the meeting, (i) he must notify for that purpose the Paying Agent and (ii) he or a duly authorised person on his behalf must direct the Paying Agent how those votes are to be cast. The Paying Agent shall issue a block voting instruction in respect of the votes attributable to all Notes for which it has received such notification.

5. A block voting instruction shall:

- be a document in the English language
- be dated
- specify the meeting concerned
- list the total number and serial numbers of the Notes, distinguishing with regard to each resolution between those voting for and those voting against it
- certify that such list is in accordance with directions received as provided in paragraphs 8, 10 and 13 and
- appoint a named person (a "proxy") to vote at that meeting in respect of those Notes and in accordance with that list. A proxy need not be a Noteholder.

6. Once a Paying Agent has issued a block voting instruction for a meeting in respect of the votes attributable to any Notes the directions to which it gives effect may not be revoked or altered during the 48 hours before the time fixed for the meeting.

7. Each block voting instruction shall be deposited at least 24 hours before the time fixed for the meeting at the specified office of the relevant Issuer or the Guarantor or such other place as the Issuer shall designate or approve, and in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. If the Issuer requires, a notarial certified copy of each block voting instruction shall be produced by the proxy at the meeting but the Issuer need not investigate or be concerned with the validity of the proxy's appointment.

8. A vote cast in accordance with a block voting instruction shall be valid even if it or any of the Noteholders' instructions pursuant to which it was executed has previously been revoked or amended, unless written intimation of such revocation or amendment is received from the relevant Issuer by the chairman of the meeting in each case at least 24 hours before the time fixed for the meeting.

9. No instructions may be giving by the Noteholder to the Paying Agent at the same time for the purposes of both paragraph 3 and paragraph 5 for the same meeting.

### *8.18.5. Chairman*

The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Noteholders or agents present shall choose one of their number to be chairman, failing which the Issuer may

appoint a chairman. The chairman need not be a Noteholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

### *8.18.6. Attendance*

The following may attend and speak at a meeting:

1. Noteholders and agents

2. the chairman

3. the Issuer, the Guarantor and the Fiscal Agent or Domiciliary Agent as applicable (through their respective representatives) and their respective financial and legal advisers.

### *8.18.7. Quorum and Adjournment*

1. No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

2. Two or more Noteholders or agents present in person shall be a quorum:

(i) in the cases marked "No minimum proportion" in the table below, whatever the proportion of the Notes which they represent; and

(ii) in any other case, only if they represent the proportion of the Notes shown by the table below.

| COLUMN 1 | COLUMN 2 | COLUMN 3 | COLUMN 4 |
|---|---|---|---|
| Purpose of Meeting | Any meeting except one referred to in column 3 | Meeting previously once adjourned through want of a quorum | Meeting previously twice adjourned through want of a quorum |
| | Required proportion | Required Proportion | Required Proportion |
| To pass a special quorum resolution | two thirds of the principal amount of the Notes | one third of the principal amount of the Notes | No minimum proportion |
| To pass any other Extraordinary Resolution | A clear majority of the principal amount of the Notes | No minimum proportion | No minimum proportion |
| Any other purpose | 10 per cent of the principal amount of the Notes | No minimum proportion | No minimum proportion |

3. The chairman may (and shall if directed by a meeting) adjourn the meeting "from time to time and from place to place". Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this clause.

4. At least 10 days' notice of a meeting adjourned for want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

### *8.18.8. Voting*

1. Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer, the Guarantor or one or more persons representing 2 per cent. of the Notes.

2. Unless a poll is demanded a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

3. If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

4. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

5. On a show of hands every person who is present in person and who produces a voting certificate or is a proxy or representative has one vote. On a poll every such person has one vote in respect of each principal amount equal to the minimum denomination of such Series of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

6. In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

#### *8.18.9. Effect and Publication of an Extraordinary Resolution*

An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Noteholders within 14 days but failure to do so shall not invalidate the resolution.

#### *8.18.10. Minutes*

Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

### *8.19. Taxation*

Investors should take into account that the tax aspects of the Notes could differ depending on, amongst others:

1. the Issuer: Belfius Bank or Belfius Financing Company;
2. the clearing of the Notes: i) Notes issued in the Securities Settlement System (ISIN codes starting with "BE", hereafter referred to as "'**BE**' **Notes**") or, for Notes which are non-eligible for the Securities Settlement System, ii) Notes issued outside the Securities Settlement System (ISIN codes starting with "XS", hereafter referred to as "'**XS**' **Notes**"); and
3. the form of the Notes. The below description is limited to the tax aspects of dematerialised Notes only.

Some differences that may be relevant are briefly summarised below:

**Interest payments (including any amounts repaid on maturity date in excess of the issue price):**

**'BE' Notes:**

- Exempt "X" investors (including but not limited to Belgian companies and non-residents) qualify for a Belgian withholding tax exemption.

- Non-exempt "N" investors (including but not limited to Belgian private persons and entities subject to the Belgian tax on legal entities regime) are subject to a Belgian withholding tax of currently 30%.

**'XS' Notes:**

- Interest payments on Notes issued by Belfius Financing Company are not subject to Luxembourg withholding tax. A Belgian withholding tax of currently 30% will be borne by a.o. Belgian private investors and investors subject to the tax on legal entities (*rechtspersonenbelasting/impôt des personnes morales*) who hold the Notes on a Belgian bank account. If no Belgian withholding tax is levied (*e.g.* because the interest is paid outside of Belgium without the intervention of a Belgian financial intermediary), then these investors are obliged to spontaneously declare the related interest income in their Belgian tax return.
- Interest payments on Notes issued by Belfius Bank are subject to a 30% Belgian withholding tax. Certain investors may be able to recover, in full or in part, the Belgian withholding tax, *e.g.* through their tax return or by filing a request for reclaim with the Belgian tax authorities based on the applicable double tax treaty.

**Taxation upon sale of the Notes on the secondary market:**

**'BE' Notes:**

- Non-exempt "N" investors will be subject to a Belgian withholding tax of currently 30% on the *pro rata* interest amount. The residual capital gain is tax exempt.

**'XS' Notes:**

- Notes issued by Belfius Financing Company: no withholding is levied upon sale of the Notes to Belfius Bank. However, Belgian private investors and investors subject to the tax on legal entities (*rechtspersonenbelasting/impôt des personnes morales*) will need to spontaneously declare the corresponding taxable *pro rata* interest amount in their tax return.
- Notes issued by Belfius Bank: if the Notes are sold to Belfius Bank, the positive difference between the redemption price and the initial issue price will be subject to a Belgian withholding tax of currently 30%. Certain investors may be able to recover, in full or in part, the Belgian withholding tax, *e.g.* through their tax return or by filing a request for reclaim with the Belgian tax authorities based on the applicable double tax treaty.

In any event, investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Notes issued by Belfius Bank and/or Belfius Financing Company 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 securities.

## *8.20. Governing Law and Jurisdiction*

### *8.20.1. Governing law*

The Notes and the Guarantee are governed by Belgian law.

The Agency Agreement is (or would be, once established) governed by Luxembourg law with respect of the Belfius Financing Company Notes and by Belgian law with respect of the Belfius Bank Notes.

Where the Issuer is Belfius Financing Company, the provisions of articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies shall not apply in respect of the Notes.

### *8.20.2. Jurisdiction*

All disputes arising out of or in connection with the Notes or the Guarantee shall be submitted to the jurisdiction of the competent courts in Belgium.

## *8.21. Acknowledgment and Consent of the Bail-in Power with regards to the Guarantee*

Under the Guarantee, the Guarantor has guaranteed the obligations owed by Belfius Financing Company to the holders of Notes issued by Belfius Financing Company. Each Noteholder (which includes any current or future holder of a beneficial interest in the Notes) hereby acknowledges and agrees the Guarantee may be subject to the exercise of the Bail-in Power by the Relevant Resolution Authority and acknowledges and accepts to be bound by (i) the variation of the terms and conditions of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in Power by the Relevant Resolution Authority and (ii) the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority. For the avoidance of doubt, as a result of the foregoing, the Bail-in Power, if applied to the Notes or to liabilities of the Guarantor, could effectively limit the extent of a recovery under the Guarantee.

In these Conditions,

"**Bail-in Power**" means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations (including delegated or implementing measures such regulatory technical standards), requirements, guidelines, rules, standards and policies relating to the resolution of credit institutions, investment firms and their parent undertakings, and minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the Kingdom of Belgium, the NBB (or any successor or replacement entity having primary responsibility for the prudential oversight and supervision of the Issuer), the Relevant Resolution Authority, the Financial Stability Board and/or of the European Parliament or of the Council of the European Union then in effect in the Kingdom of Belgium, pursuant to which obligations of the Issuer or the Guarantor can be reduced (in part or in whole), modified, cancelled, suspended, transferred, varied or otherwise varied in any way, or securities of the Issuer or the Guarantor can be written down and/or converted into shares, other securities or other obligations of the Issuer or the Guarantor or any other person, whether in connection with the implementation of a bail-in power following placement in resolution or otherwise.

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

## *8.22. Acknowledgment and Consent of the Bail-in Power with regards to the Notes*

Each Noteholder (which includes any current of future holder of a beneficial interest in the Notes) acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of the Bail-in Power by the Relevant Resolution Authority and acknowledges and accepts to be bound by (i) the variation of the terms and conditions of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in Power by the Relevant Resolution Authority and (ii) the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority. Such exercise may, among others, include and result in any of the following, or a combination thereof:

(i) all, or part of the Relevant Amounts in respect of the Notes being reduced or cancelled;

(ii) all or part of the Relevant Amounts in respect of he Notes being converted into shares, other securities or other obligations of the Issuer or another person and such shares, securities or obligations being issued to or conferred on the Noteholder, including by means of a variation, modification or amendment of the terms and conditions of the Notes;

(iii) the Notes or the Relevant Amount in respect of the Notes being cancelled; and

(iv) the maturity of the Notes being amended or altered, or the amount of interest payable on the notes, or date on which interest becomes payable; including by suspending payment for a temporary period, being amended.

In this Condition,

"**Bail-in Power**" has the same meaning as provided under Condition 8.21 (*Acknowledgment and Consent of the Bail-in Power with regards to the Guarantee*).

"**Relevant Amounts**" means the principal amount of, and/or interest on, the Notes. These amounts include amounts that have become due and payable but which have prior to the exercise of the Bail-in Power by the Relevant Resolution Authority not yet been paid.

## *8.23. Financial Service*

The financial service will be performed by Belfius Bank (in Belgium) and BIL (in Luxembourg).

## *8.24. Representation of Noteholders*

There is no representation of the holders of the Notes in relation to any offer of Notes.

## *8.25. Guarantee*

The Condition 8.25 only applies to Belfius Financing Company Notes.

The Guarantor has, by a senior preferred guarantee (the "**Guarantee**", see Annex 2 of the Base Prospectus), unconditionally and irrevocably guaranteed on a senior preferred unsubordinated basis the due and punctual payment of the principal of and interest on the Notes issued by Belfius Financing Company as well as of any additional amounts which may be required to be paid by Belfius Financing Company (as described under *Condition 8.19. Taxation*) subject to the exercise by the Relevant Resolution Authority of the Bail-in Powers, which may apply to the Guarantee.

The obligations of the Guarantor under the Guarantee are direct, unconditional and unsecured obligations of the Guarantor and rank *pari passu* with all other outstanding unsecured and senior preferred obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights.

## *8.26. No Hardship*

For the avoidance of doubt, the Issuer hereby acknowledges that the provisions of Article 5.74 of the Belgian Civil Code shall not apply with respect to its obligations under these Terms and Conditions and that it shall not be entitled to make any claim under Article 5.74 of the Belgian Civil Code.

## *8.27 Extra-contractual Liability*

Each Noteholder hereby agrees that, upon the entry into force of the new book 6 on "extracontractual liability" (*buitencontractuele aansprakelijkheid*/*responsabilité extracontractuelle*) of the Belgian Civil Code (through the *Wet houdende boek 6 "Buitencontractuele aansprakelijkheid" van het Burgerlijk Wetboek*/*Loi portant le livre 6 "La responsabilité extracontractuelle" du Code civil*), the provisions of the new Article 6.3 of the Belgian Civil Code shall, to the maximum extent permitted by law, not apply under or in connection with these Conditions and the Guarantee and that it shall not be entitled to make any extra-contractual liability claim against any Issuer, the Guarantor or any auxiliary (*hulppersoon*/*auxiliaire*) of (any affiliate of) any Issuer or the Guarantor with respect to a breach of a contractual obligation under or in connection with these Conditions and the Guarantee, even if such breach of obligation also constitutes an extra-contractual liability. For the avoidance of any doubt, this is

without prejudice to any extra-contractual liability claim for damages suffered with respect to a breach of an extra-contractual obligation, including, without limitation, pursuant to any pre-contractual disclosure in connection with the Notes.

# 9. TERMS AND CONDITIONS OF THE OFFER

(Annex 14.5 of Commission Delegated Regulation (EU) 2019/980)

The Notes will be offered for subscription during the Offering Period (specified in the relevant Final Terms) at the relevant Issue Price. Any applicable fees or commissions will be specified in the relevant Final Terms. The relevant Issuer has the right to cancel any issue of Notes 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 Notes will be notified pursuant to Condition 8.17 of such cancellation. The relevant Issuer has the right to anticipatively terminate the Offering Period.

The cash account of the Noteholder will be debited on the Issue Date. At the same date, the Notes will be transferred on the securities accounts of the Noteholders or Belfius Financing Company will, in case of an issue of Belfius Financing Company Notes in registered form, register the issuance in its register of registered notes.

If Notes are deposited in a securities account with Belfius Bank, Belfius Bank will not charge any fees for this service, nor for the opening of such securities account. If a Noteholder chooses to deposit his or her securities with another financial institution, he or she must inquire the fees charged by this institution.

As described in this section, the distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuers to inform themselves about and to observe any such restriction. The Notes have not been offered or sold and will not be offered or sold directly or indirectly and this Base Prospectus has not been distributed and will not be distributed, except in such circumstances that will result in compliance with all applicable laws and regulations.

There are no restrictions to the distribution of this Base Prospectus and the offering and sale of Notes in Belgium, except as set out below.

The Notes issued in dematerialised form within the Securities Settlement System where the Reference Rate (as defined in "Terms and Conditions of the Notes") is SONIA, SOFR or €STR may only be held by, and may only be transferred to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 holding their Notes in an exempt securities accounts that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the National Bank of Belgium.

The Notes issued in bearer form shall not be physically delivered, except to a clearing system, a depositary or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian law of 14 December 2005.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and are subject to U.S. tax law requirements and, except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws, the Notes and the Guarantee may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes and the Guarantee 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 Notes and the

Guarantee are sold during the restricted period will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the U.S. or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering, an offer or sale of the Notes and the Guarantee within the U.S. by any dealer (whether or not participating in the offering) may violate the registration requirements imposed by the U.S. Securities Act of 1933, as amended.

Any document connected with the issue of the Notes has only been issued or passed on and will only be issued and passed on in the United Kingdom to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**UK FSMA**")) in connection with the issue or sale of any Notes, has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the UK FSMA does not apply to the Issuer and all applicable provisions of the UK FSMA with respect to anything done in relation to such Notes in, from or otherwise involving the United Kingdom have been complied with and will be complied with.

# 10. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

(Annex 14.6 of Commission Delegated Regulation (EU) 2019/980)

The Notes will not be the subject of an application for admission to trading on a regulated or non-regulated market, nor have any Notes previously issued under the Programme ever been the subject of an application for admission to trading on a regulated market or equivalent market.

If liquidity is provided to be "Applicable" in the relevant Final Terms for any Notes, the price of the Notes is available on demand in the offices of Belfius Bank or on the website www.belfius.be, and this on each Business Day during the term of such Notes in every office of Belfius Bank until 28 calendar days preceding their Maturity Date and 56 calendar days for equity linked notes, unless in Belfius Bank's determination, market conditions preclude it from quoting a price. If Belfius Bank quotes a price, it can be considered market maker for the Notes and will organise the secondary market, thereby providing liquidity through bid and offer rates. The main terms of the commitment of Belfius Bank will be specified in the relevant Final Terms and (i) "**Maximum Spread**" means on any given moment the maximum spread between the then applicable bid and offer rates; (ii) "**Maximum Commission**" means the maximum commission on the bid and offer rates; and (iii) "**Maximum Exit Penalty**" means the maximum exit penalty applicable to the nominal amount of the Notes. The bid and offer rates of the Notes on any given moment are subject to the market conditions, interest rates, forward rates; credit spreads of the relevant Issuer or, in the case of Belfius Financing Company Notes, the Guarantor, etc.

In case of sale of the Notes before maturity, the sale proceeds can be lower than the invested amount.

# 11. USE OF PROCEEDS

Unless otherwise specified in the applicable Final Terms, 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.

If, in respect of any particular issuance, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. In particular, each Issuer may provide in the applicable Final Terms that (i) in the case of "green notes", Belfius will apply an amount equivalent to the net proceeds of the issue of the relevant Notes to finance and/or refinance, in whole or in part, Eligible Green Assets, as described in the applicable Final Terms and in Belfius' Green Bond Framework, such Notes being referred to as Green Notes or (ii) in the case of "social notes", Belfius will apply an amount equivalent to the net proceeds of the issue of the relevant Notes to finance and/or refinance, in whole or in part, Eligible Social Assets, as described in the applicable Final Terms and in Belfius' Social Bond Framework, such Notes being referred to as Social Notes. See "*Green Bond Framework*" and "*Social Bond Framework*" for further information.

In the case of Belfius Financing Company Notes, the proceeds of the issued notes are fully transferred to Belfius Bank. This will also be the case for any Green Notes and Social Notes.

# 12. GREEN BOND FRAMEWORK

## *12.1. Introduction*

Belfius has developed a green bond framework (such framework as amended from time to time, the "**Green Bond Framework**") under which Belfius intends to attract funding to finance and/or refinance, in whole or in part, loans and investments realised by any member of the Belfius group to finance projects and/or assets which enable the transition to a low carbon and climate resilient economy (the "**Eligible Green Assets**"). The Green Bond Framework is publicly available on Belfius' website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-social-bonds). The Green Bond Framework does not form part of, and is not incorporated by reference into, this Base Prospectus. Notes issued under this Base Prospectus for which the applicable Final Terms indicate that Belfius will apply an amount equivalent to the net proceeds of the issue to finance and/or refinance, in whole or in part, Eligible Green Assets are referred to as "**Green Notes**".

The Green Bond Framework has been prepared taking into account the voluntary guidelines of the Green Bond Principles (2018 edition) published by the International Capital Markets Association (the "**Green Bond Principles**").

This section contains a short summary of the Green Bond Framework as at the date of this Base Prospectus which does not purport to be complete and is taken from, and is qualified in its entirety by, the information in the Green Bond Framework. The Green Bond Framework may be further updated or amended, among other things to reflect updates to the Taxonomy Regulation and the European Green Bond Standard and evolutions in the activities of Belfius.

In case of an issuance of Green Notes, (i) the use of proceeds, (ii) the process for green assets evaluation and selection, (iii) the management of proceeds, (iv) the reporting on allocation and impact and (v) the external review will be carried out in accordance with the Green Bond Framework.

## *12.2. Use of proceeds*

In case of an issuance of Green Notes, Belfius will apply an amount equivalent to the net proceeds of Green Notes exclusively to finance and/or refinance, in whole or in part, Eligible Green Assets in the following categories ("**Eligible Categories**"):

- renewable energy;
- energy efficiency;
- clean transportation;
- green real estate; and
- waste & water management.

In alignment with Belfius' sustainability strategy, the eligibility criteria ("**Eligibility Criteria**") contemplated under the Green Bond Framework are intended to directly contribute to the achievement of specific UN Sustainable Development Goals and related sub-targets[34].

Eligible Green Assets are required to meet the following Eligibility Criteria:

| Eligible Category | Eligibility Criteria |
|---|---|
| Renewable energy | Loans or investments to finance/refinance the equipment, development, construction, operation, distribution, infrastructure and maintenance of renewable energy projects such as: |

[34] Based on mapping between ICMA Eligible Categories and UN Sustainable Development Goals.

| | |
|---|---|
| | - Offshore and onshore wind<br>- Solar photovoltaic power<br>- Hydropower (with lifecycle GHG emissions < 100gCO2/kWh or power density > 5W/m2)[35]<br>- Geothermal projects (with lifecycle GHG emissions < 100gCO2/kWh)<br>- Energy from biomass (such as forest residues, or municipal waste but excluding biomass from sources competing with food production, depleting carbon pools or grown on land with high biodiversity), (with lifecycle GHG emissions < 100gCO2/kWh) |
| Energy efficiency | Loans or investments to finance/refinance energy efficiency projects, such as:<br>- Energy storage efficiency projects[36]<br>- Smart grid solutions<br>- Energy efficient lighting such as LED |
| Clean transportation | Loans or investments to finance/refinance public land transport (e.g. subways, trains, trams, buses, cycleways) and clean transportation such as:<br>- Rail infrastructure, including station upgrade<br>- Rolling stock for passenger and freight transportation (zero direct emissions), excluding fossil fuel transportation<br>- Electric and hybrid (with CO2 emission <50g CO2/km) vehicles, including charging infrastructure<br>- Construction or improvement of bicycle lanes, bicycle parking and bicycle sharing systems |
| Green real estate | Commercial:<br>- Loans or investments to finance/refinance new and existing commercial real estate belonging to the top 15% most efficient buildings or complying with a recognised external certification with a minimum level of BREEAM[37]: very good or equivalent.<br>- Loans or investments to renovate existing commercial buildings achieving an energy reduction of at least 30%.<br>Residential:<br>- Mortgage loans for residential dwellings in a certain region (Flanders, Wallonia and Brussels) belonging to the top 15% most efficient buildings in that region based on the local building code, building year or EPC certificate.<br>- Loans or investments to renovate existing residential buildings achieving an energy reduction of at least 30%. |
| Waste & water management | Loans or investments to finance/refinance the equipment, development, construction, operation and maintenance of:<br>- Water distribution systems to improve water use efficiency and/or water quality |

[35] The development of any new hydropower facility, regardless of emission thresholds, needs to be accompanied by an environmental and social risk assessment carried out by a credible external body.

[36] In case of investing in power-to-hydrogen storage, the production must be through water electrolysis.

[37] Building Research Establishment Environmental Assessment Method.

| | |
|---|---|
| | - Water recycling and wastewater treatment plants[38]<br>- Waste recycling and treatment plants |

## *12.3. Process for green assets evaluation and selection*

Underlying Eligible Green Assets are expected to comply with local laws and regulations, including any applicable regulatory environmental and social requirements. Potential Eligible Green Assets are assessed against Belfius' regular credit policies. The qualification for green criteria does not override credit risks.

The process for evaluation and selection of Eligible Green Assets, based on the Eligibility Criteria, receives a final approval by the Green & Social Bond Committee of Belfius.

The Green & Social Bond Committee currently consists of the following representatives of Belfius:

- the head of Sustainability – ESG;
- representatives of the commercial business lines (private, business & retail (PBR) and/or wealth, enterprises & public (WEP));
- the head of long term funding; and
- the head of structured finance

## *12.4. Management of proceeds*

Belfius will strive, over time, to maintain an aggregate amount of Eligible Green Assets in a portfolio (the "**Green Portfolio**") that matches or exceeds the balance of net proceeds of all outstanding Green Notes issued under the Green Bond Framework.

The Eligible Green Assets will be selected in line with the Eligibility Criteria and the evaluation and selection process described above.

Belfius will individually label all allocated Eligible Green Assets in its internal information systems and will monitor the Green Portfolio. If an asset is matured, redeemed or no longer meets the Eligibility Criteria, Belfius will do its best effort to replace it with an Eligible Green Asset. On a quarterly basis, the Green & Social Bond Committee will verify the availability of sufficient Eligible Green Assets in the Green Portfolio to match the outstanding Green Notes.

Pending the allocation of an amount equal to the net proceeds of Green Notes and while the Green Portfolio has a positive balance, such amounts will be invested within the treasury portfolios, in money market products, cash and/or cash equivalent, in accordance with Belfius' general internal policies.

## *12.5. Reporting*

Belfius expects to publish annually a report that will detail the allocation of amounts equal to the net proceeds of Green Notes (including those issued by Belfius Financing Company) and the environmental impact of the Eligible Green Assets included in its Green Portfolio. Any report will not form part of, and will not be incorporated by reference into, the Base Prospectus.

*Allocation of proceeds reporting*

As long as any Green Note is outstanding, Belfius expects to report annually on the use of the amounts equal to the net proceeds of the Green Notes. This report is expected to detail:

- the total amount of Green Notes issued;
- the Green Portfolio, including a breakdown by Eligible Category; and

[38] The treatment of wastewater from fossil fuel operations is excluded

- the balance of unallocated amounts, if any.

*Impact reporting*

Belfius intends to report annually on the environmental impact of the Green Portfolio at an aggregated level.

## *12.6. External review*

*Second Party Opinion*

Belfius has appointed Sustainalytics to provide a second party opinion (the "**Green Bond Framework Second Party Opinion**") on the Green Bond Framework who has verified and confirmed the sustainability of the Green Bond Framework and alignment of it with the Green Bond Principles. The Green Bond Framework Second Party Opinion does not form part of, and is not incorporated by reference into, the Base Prospectus.

*Verification*

Belfius will request on an annual basis, starting one year after the issuance of the first Green Notes and until maturity, a limited assurance report of the allocation of the amounts equal to the net proceeds of the Green Notes to its Green Portfolio, provided by an independent external auditor. Any limited assurance report will not form part of, and will not be incorporated by reference into, the Base Prospectus.

## *12.7. General*

Prior to any investment in Green Notes, investors should have regard to the factors described under the section headed "Risk Factors" in the Base Prospectus, in particular the risk factor entitled "*Risks related to Notes which qualify as "Green Notes" or "Social Notes" which have a particular use of proceeds identified in the applicable Final Terms*".

Notwithstanding any use of the net proceeds of the Green Notes identified in the applicable Final Terms, investors should note that, in respect of Belfius Bank Notes, (i) such Green Notes will be fully subject to the CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments, as applicable, (ii) the Green Notes can be subject to bail-in and write-down or conversion powers and (iii) this will not affect the particular status of such Green Notes as identified in the applicable Final Terms, including, as applicable, in terms of subordination, loss absorbency features and regulatory treatment.

# 13. SOCIAL BOND FRAMEWORK

## *13.1. Introduction*

Belfius has developed a social bond framework (such framework as amended from time to time, the "**Social Bond Framework**") under which Belfius intends to attract funding to finance and/or refinance, in whole or in part, loans and investments realised by any member of the Belfius group to projects and/or assets (the "**Eligible Social Assets**") in the categories of (i) access to essential services – education, (ii) access to essential services – healthcare, (iii) affordable housing and (iv) socioeconomic advancement & empowerment. The Social Bond Framework is publicly available on Belfius' website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-social-bonds). The Social Bond Framework does not form part of, and is not incorporated by reference into, this Base Prospectus. Notes issued under this Base Prospectus for which the applicable Final Terms indicate that Belfius will apply an amount equivalent to the net proceeds of the issue to finance and/or refinance, in whole or in part, Eligible Social Assets are referred to as "**Social Notes**".

The Social Bond Framework has been prepared taking into account the voluntary guidelines of the Social Bond Principles (2023 edition) published by the International Capital Markets Association (the "**Social Bond Principles**").

This section contains a short summary of the Social Bond Framework as at the date of this Base Prospectus which does not purport to be complete and is taken from, and is qualified in its entirety by, the information in the Social Bond Framework. The Social Bond Framework may be further updated or amended, among other things to further harmonise with evolving regulations and evolutions in the activities of Belfius.

In case of an issuance of Social Notes, (i) the use of proceeds, (ii) the process for social assets evaluation and selection, (iii) the management of proceeds, (iv) the reporting on allocation and impact and (v) the external review will be carried out in accordance with the Social Bond Framework.

## *13.2. Use of proceeds*

In case of an issuance of Social Notes, Belfius will apply an amount equivalent to the net proceeds of Social Notes exclusively to finance and/or refinance, in whole or in part, Eligible Social Assets in the following categories ("**Eligible Categories**"):

- access to essential services – education;
- access to essential services – healthcare;
- affordable housing; and
- socioeconomic advancement & empowerment.

In alignment with Belfius' sustainability strategy, the eligibility criteria ("**Eligibility Criteria**") contemplated under the Social Bond Framework are intended to directly contribute to the achievement of specific UN Sustainable Development Goals and related sub-targets[39].

Eligible Social Assets are required to meet the following Eligibility Criteria:

| **Eligible Category** | **Eligibility Criteria** |
|---|---|
| Access to essential services – education | - (Re)financing of activities for state/public schools and free private schools, including colleges and universities.<br>- Construction, extension or refurbishment of equipment and infrastructures. |

[39] Based on mapping between ICMA Eligible Categories and UN Sustainable Development Goals.

| | |
|---|---|
| Access to essential services – healthcare | - (Re)financing the construction, extension or refurbishment and general corporate purposes of hospitals and healthcare facilities.<br>- (Re)financing the construction, extension or refurbishment and general corporate purposes of elderly care centres, supporting housing for people with disabilities. |
| Affordable housing | - (Re)financing of social housing (both for rental and/or purchase): development, construction, renovation and maintenance of social housing projects. |
| Socioeconomic advancement & empowerment | - (Re)financing of loans granted to or guaranteed by CPAS (*Centre Public d'Action Sociale*) / OCMW (*Openbaar Centrum voor Maatschappelijk Welzijn*). |

## *13.3. Process for social assets evaluation and selection*

Underlying Eligible Social Assets are expected to comply with local laws and regulations, including any applicable regulatory social requirements. Potential Eligible Social Assets are assessed against Belfius' regular credit policies. The qualification for social criteria does not override credit risks.

The process for evaluation and selection of Eligible Social Assets, based on the Eligibility Criteria, receives a final approval by the Green & Social Bond Committee of Belfius.

The Green & Social Bond Committee currently consists of the following representatives of Belfius:

- the head of Sustainability – ESG;
- representatives of the commercial business lines (private, business & retail (PBR) and enterprises, entrepreneurs & public (E&E&P));
- the head of long term funding; and
- the head of structured finance.

## *13.4. Management of proceeds*

Belfius will strive, over time, to maintain an aggregate amount of Eligible Social Assets in a portfolio (the "**Social Portfolio**") that matches or exceeds the balance of net proceeds of all outstanding Social Notes issued under the Social Bond Framework.

The Eligible Social Assets will be selected in line with the Eligibility Criteria and the evaluation and selection process described above.

Belfius will individually label all allocated Eligible Social Assets in its internal information systems and will monitor the Social Portfolio. If an asset is matured, is redeemed or no longer meets the Eligibility Criteria, Belfius will do its best effort to replace it with an Eligible Social Asset. On a quarterly basis, the Green & Social Bond Committee will verify the availability of sufficient Eligible Social Assets in the Social Portfolio to match the outstanding Social Notes.

Pending the allocation of an amount equal to the net proceeds of Social Notes and while the Social Portfolio has a positive balance, such amounts will be invested within the treasury portfolios, in money market products, cash and/or cash equivalent, in accordance with Belfius' general internal policies.

## *13.5. Reporting*

Belfius expects to publish annually a report that will detail the allocation of amounts equal to the net proceeds of Social Notes (including those issued by Belfius Financing Company) and the social impact of the Eligible Social

Assets included in its Social Portfolio. Any report will not form part of, and will not be incorporated by reference into, the Base Prospectus.

*Allocation of proceeds reporting*

As long as any Social Note is outstanding, Belfius expects to report annually on the use of the amounts equal to the net proceeds of the Social Notes. This report is expected to detail:

- the total amount of Social Notes issued;
- the Social Portfolio, including a breakdown by Eligible Category; and
- the balance of unallocated amounts, if any.

*Impact reporting*

Belfius intends to report annually on the environmental impact of the Social Portfolio at an aggregated level.

## 13.6. External review

*Second Party Opinion*

Belfius has appointed Sustainalytics to provide a second party opinion (the "**Social Bond Framework Second Party Opinion**") on the Social Bond Framework who has verified and confirmed the sustainability of the Social Bond Framework and alignment of it with the Social Bond Principles. The Social Bond Framework Second Party Opinion does not form part of, and is not incorporated by reference into, the Base Prospectus.

*Verification*

Belfius will request on an annual basis, starting one year after the issuance of the first Social Notes and until maturity, a limited assurance report of the allocation of the amounts equal to the net proceeds of the Social Notes to its Social Portfolio, provided by an independent external auditor. Any limited assurance report will not form part of, and will not be incorporated by reference into, the Base Prospectus.

## 13.7. General

Prior to any investment in Social Notes, investors should have regard to the factors described under the section headed "Risk Factors" in the Base Prospectus, in particular the risk factor entitled "*Risks related to Notes which qualify as "Green Notes" or "Social Notes" which have a particular use of proceeds identified in the applicable Final Terms*".

Notwithstanding any use of the net proceeds of the Social Notes identified in the applicable Final Terms, investors should note that, in respect of Belfius Bank Notes, (i) such Social Notes will be fully subject to the CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments, as applicable, (ii) the Social Notes can be subject to bail-in and write-down or conversion powers and (iii) this will not affect the particular status of such Social Notes as identified in the applicable Final Terms, including, as applicable, in terms of subordination, loss absorbency features and regulatory treatment.

# 14. THIRD PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS

(Annex 6.14 of Commission Delegated Regulation (EU) 2019/980)

There has not been any statement or report attributed to a person as an expert which is included in this Base Prospectus.

# 15. DOCUMENTS ON DISPLAY

(Annex 6.14 of Commission Delegated Regulation (EU) 2019/980)

Copies of (i) the annual reports dated 31 December 2022 and 31 December 2023 for the Issuers and, as applicable, the Guarantor and of all subsequent annual reports to be published and (ii) copies of the articles of association of the Issuers and, as applicable, the Guarantor are available free of charge at the office of Belfius Bank and will be available during the entire lifetime of the Notes.

Additionally, the annual reports of Belfius Bank are available on its website https://www.belfius.be/about-us/en/investors/results-reports/reports, and the annual reports of Belfius Financing Company are available in Annex 5 of this Base Prospectus.

# Annex 1: Template for Final Terms

**APPLICABLE FINAL TERMS**

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

**[MiFID II PRODUCT GOVERNANCE – Solely for the purposes of the product approval process of [the/each] Manufacturer (i.e., each person deemed a manufacturer for purposes of the EU Delegated Directive 2017/593, hereinafter referred to as a "Manufacturer"), the target market assessment in respect of the Notes as of the date hereof has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients [and retail clients] each as defined in Directive 2014/65/EU (as amended, "MiFID II"); [and] (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; [and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services – subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "Distributor") should take into consideration [the/each] Manufacturer['s/s'] target market assessment. A distributor subject to MiFID II is, however, responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining [the/each] Manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]**

**Final Terms dated [●]**

**[Belfius Financing Company] [Belfius Bank SA/NV]**

Issue of [Title of Notes]
[Guaranteed by Belfius Bank SA/NV]
under the

**Belfius Financing Company**

**and**

**Belfius Bank SA/NV**

## Notes Issuance Programme

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in this base prospectus dated 21 May 2024 (the "**Base Prospectus**"), 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 Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus and any supplement thereto.** These Final Terms and this Base Prospectus together constitute the Programme for the Tranche. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for inspection at [the office of the Guarantor,] the office of the Issuer and the website www.belfius.be. A summary of the offer of the Notes is provided in an annex to the Final Terms.

[This Base Prospectus will be valid until the date of approval by the FSMA of the updated base prospectus that will replace and supersede it, no later than 21 May 2025 inclusive. The updated base prospectus will be available for inspection at [the office of the Guarantor,] the office of the Issuer and the website www.belfius.be.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Programme under Article 23 of the Prospectus Regulation.]*

| | | | |
|---|---|---|---|
| 1 | (i) | Issuer: | [Belfius Bank SA/NV][Belfius Financing Company] |
| | (ii) | Guarantor: | [N/A][Belfius Bank SA/NV] |
| | (iii) | Calculation Agent: | Belfius Bank SA/NV |
| 2 | (i) | Series Number: | [●] |
| | [(ii) | Tranche Number: | [●]<br>*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).* |
| 3 | Specified Currency or Currencies: | | [●] |
| 4 | Maximum Amount: | | |
| | [(i) | ]Series: | [●] |
| | [(ii) | Tranche: | [●]] |
| 5 | Minimum Amount: | | |
| | [(i) | ]Series: | [●] |
| | [(ii) | Tranche: | [●]] |
| 6 | Offering Period: | | [●] (except in case of early closing) |
| 7 | Issue Price: | | [●] per cent.<br>[plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable)*] |
| 8 | Denominations: | | [●] |
| 9 | [(i)] | Issue Date: | [●] |
| | [[(ii)] | Interest Commencement Date: | [●]] |
| 10 | [Scheduled] Maturity Date: | | [●] |
| 11 | Interest Basis: | | [[●] per cent. Fixed Rate]<br>[[*EURIBOR/ SONIA/€STR/SOFR/alternative reference rate*] [+/- [*Margin*]] Floating Rate, Further particulars specified below]<br>[Zero Coupon]<br>[Variable Linked Rate]<br>[Not Applicable]<br>(further particulars specified below) |
| 12 | Redemption/Payment Basis: | | [Redemption at par]<br>[Variable Linked Redemption]<br>(further particulars specified below) |
| 13 | Change of Interest or Redemption/Payment Basis: | | [Not Applicable/(Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis, including the (mandatory) scheduled dates for any Change of Interest in the case of Fixed to Floating Rate Notes or Floating to Fixed Rate Notes)] |
| 14 | Call Options: | | [Applicable/Not Applicable]<br>[(further particulars specified below)] |
| 15 | Mandatory Early Redemption: | | [Applicable/Not Applicable] [(further particulars specified below)] |
| 16 | Status of the Notes: | | Senior preferred notes |

| | | |
|---|---|---|
| 17 | Form of Notes: | [Bearer Notes/Dematerialised Notes/Registered Notes] |
| 18 | New Global Note: | Not Applicable |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| 19 | Fixed Rate Note Provisions | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Fixed Rate: | [●] per cent. per annum |
| | (ii) Interest Payment Date(s): | [annually/semi-annually/quarterly on ●][●] |
| | (iii) Business Days: | [●] |
| | (iv) Business Day Convention: | [●] |
| | [(v) Fixed Interest Amount: | [●]] |
| | [(v)/(vi) Day Count Fraction: | [●]] |
| | [(v)/(vi)/(vii) Interest Period End Date(s): | [Adjusted/No Adjustment/Other]] |
| | [(v)/(vi)/(vii)/(viii) Calculation Amount: | [●]] |
| | [Other terms relating to the method of calculating interest for Fixed Rate Notes: | [●](*N.B. Give details*)] |
| 20 | Floating Rate Note Provisions | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Interest Payment Date(s): | [annually/semi-annually/quarterly on ●][●] |
| | (ii) Day Count Fraction: | [●] |
| | (iii) Interest Determination Date: | [●] |
| | (iv) Business Days: | [●] |
| | (v) Business Day Convention: | [●] |
| | (vi) Interest Period End Date(s) | [●] [Adjusted/No Adjustment/Other] |
| | (vii) Maximum Rate: | [[●]/Not Applicable] |
| | (viii) Minimum Rate: | [[●]/Not Applicable] |
| | (ix) Manner in which the Floating Rate is to be determined: | [Screen Rate Determination/ISDA Determination] |
| | (x) Party responsible for calculating the Floating Rate (if not the Calculation Agent): | [●] |
| | (xi) Screen Rate Determination: | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | – Reference Rate: | [SONIA]/[€STR]/[Compounded Daily SOFR]/[Weighted Average SOFR] |
| | – Interest Determination Date(s): | [[date][, [date]…. and [date]]<br>[Second London Banking Day prior to the start of each Interest Period][first day of each Interest Period][the second day on which the TARGET2 |

System is open prior to the start of each Interest Period] [[ ] London Banking Day prior to the end of each Interest Period] [[ ] days prior to start of each Interest Period]

– Relevant Screen Page: [ ]

– Relevant Time: [ ]

– Margin: [Not Applicable] / [[+/-][ ]% per annum[ in respect of Interest Period from and including [the Interest Commencement Date] to but excluding [ ][, [[+/-][ ]% per annum from and including [ ] to but excluding [ ]] and [[+/-][ ]% per annum from and including [ ] to but excluding [ ]]]]

– Observation Method: [Not Applicable/Lag/Lock-out/Shift][, where Lock-out date means the date [*specify number*] [London Banking Days][U.S. Government Securities Business Days] prior to the applicable Interest Payment Date]

– Observation Look-back Period: [*specify number*] [London Banking Days]/[TARGET Settlement Days]/[U.S. Government Securities Business Days]

(xii) ISDA Determination: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

– ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]

– Floating Rate Option: [[●]/EUR-EURIBOR-Reuters (*if 2006 ISDA Definitions apply*)/EUR-EURIBOR (*if 2021 ISDA Definitions apply*)/EUR-EuroSTR/EUR-EuroSTR Compounded Index/GBP-SONIA/GBP-SONIA Compounded Index/USD-SOFR/USD-SOFR Compounded Index]

(*These are the only Floating Rate Options envisaged by the terms and conditions*)

– Designated Maturity: [●]/[Not Applicable]

(*A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate*)

– Reset Date: [●]

– Compounding: [Applicable/Not Applicable]

(*If not applicable, delete the remaining items of this subparagraph*)

[– Compounding Method: [Compounding with Lookback

Lookback: [●] Applicable Business Days]

[Compounding with Observation Period Shift

Observation Period Shift: [●] Observation Period Shift Business Days

Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

[Compounding with Lockout

Lockout: [●] Lockout Period Business Days

| | | |
|---|---|---|
| | | Lockout Period Business Days: [●]/[Applicable Business Days]] |
| | – Index Provisions: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining items of this subparagraph*) |
| | [– Index Method: | Compounded Index Method with Observation Period Shift<br>Observation Period Shift: [●] Observation Period Shift Business Days<br>Observation Period Shift Additional Business Days: [●]/[Not Applicable]] |
| 21 | Zero Coupon Note Provisions | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | Amortisation Yield: | [●] per cent. per annum |
| | Business Days: | [●] |
| | Business Day Convention: | [●] |
| | Any other formula/basis of determining amount payable: | [●] |
| 22 | Variable Linked Rate Note Provisions | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Underlying: | [Market Rate/Share/Basket of Shares/Share Index/Basket of Share Indices/Fund/Basket of Funds/Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices/Inflation Index] |
| | (ii) Variable Linked Rate: | [●] *(Provide the formula or other method of determination)* |
| | (iii) Interest Payment Date(s): | [●] |
| | (iv) Business Days: | [●] |
| | (v) Business Day Convention: | [●] |
| **PROVISIONS RELATING TO REDEMPTION** | | |
| 23 | Call Option | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | Optional Redemption Date(s): | [●] |
| | Optional Redemption Period: | [●] |
| | Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [●] per Note of [●] Denomination |
| | [If redeemable in part:] | [Applicable/Not Applicable] |
| | [Minimum Redemption Amount: | [●]] |
| | [Maximum Redemption Amount: | [●]] |
| | Notice period: | [●] *(being a minimum of 5 Business Days)* |

| | | |
|---|---|---|
| 24 | Mandatory Early Redemption | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Trigger Event(s): | [●] |
| | (ii) Mandatory Early Redemption Date(s): | [The Interest Payment Date immediately following the occurrence of the Trigger Event(s) as determined by the Calculation Agent. Should the Trigger Event(s) occur on an Interest Payment Date, then the Mandatory Early Redemption Date shall be postponed until the next Interest Payment Date/[●]] |
| | (iii) Mandatory Early Redemption Amount: | [●] per Note of [●] Denomination |
| 25 | Redemption Amount(s) of each Note | [[●] per Note of [●] Denomination] *(delete in case of Variable Linked Redemption)* |

*(Include below provisions in case of a Variable Linked Redemption)*

**Variable Linked Redemption**

| | | |
|---|---|---|
| | (i) Underlying: | [Market Rate/Share/Basket of Shares/Share Index/Basket of Share Indices/Fund/Basket of Funds/Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices/Inflation Index] |
| | (ii) Variable Linked Redemption Amount: | [●] *(Provide the formula or other method of determination)* |
| | (iii) Business Days: | [●] |
| | (iv) Business Day Convention: | [●] |
| | (v) Initial Averaging: | [Not Applicable / Applicable] |
| | (vi) Averaging: | [Not Applicable / Applicable] |
| | [(vi) Initial Averaging Dates: | [●]] |
| | [(vi) Averaging Dates: | [●]] |
| 26 | Partial Redemption: | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Partial Redemption Date(s) | [●] |
| | (ii) Partial Redemption Amounts: | [●] |

**VARIABLE LINKED PROVISIONS**

*(Include the relevant provisions below, if the Underlying is one or more **Market Rates**)*

| | | |
|---|---|---|
| | (i) Floating Rate Option / Publication Source: | [EUR-EURIBOR/EUR-EURIBOR ICE Swap Rate-11.00/USD-SOFR ICE Swap Rate/USD-SOFR-OIS Compound]/[●] |
| | (ii) Designated Maturity: | [●]/[Not Applicable][40] |
| | (iii) Spread: | [●] |
| | (iv) Interest Determination Date: | [●] |
| | [(v) Day count Fraction: | [●]] |

[40] Specify Not Applicable where the Market Rate is USD-SOFR-OIS Compound.

*(Include the relevant provisions below, if the Underlying is a **Share**)*

| | | |
|---|---|---|
| (i) | Share: | [●] *(Insert full title of the Share, its ISIN code and the name of the issuer)* |
| (ii) | Exchange: | [●] |
| (iii) | Related Exchange: | [[●]/All Exchanges] |
| (iv) | Valuation Date(s): | [●] |
| [(v) | Initial Valuation Date: | [●]] |
| [(v) | Initial Price: | [●]] |

*(Include the relevant provisions below, if the Underlying is **Share Basket**)*

(i) Share Basket:

| *i* | $w_{(j=1)}$ | $w_{(j=2)}$ | … | Share | Exchange | Related Exchange | Securities code |
|---|---|---|---|---|---|---|---|
| 1 | [●]% | [●]% | [●]% | [●] | [●] | [●]/All Exchanges | [●] |
| 2 | [●]% | [●]% | [●]% | [●] | [●] | [●]/All Exchanges | [●] |
| … | [●]% | [●]% | [●]% | [●] | [●] | [●]/All Exchanges | [●] |

| | | |
|---|---|---|
| (ii) | Valuation Date(s): | [●] |
| [(iii) | Initial Valuation Date: | [●]] |

*(Include the relevant provisions below, if the Underlying is a **Share Index**)*

| | | |
|---|---|---|
| (i) | Index: | [●] |
| (ii) | Exchange: | [[●]/Multiple Exchange] |
| (iii) | Related Exchange: | [[●]/All Exchanges] |
| (iv) | Valuation Date(s): | [●] |
| [(v) | Initial Valuation Date: | [●]] |
| [(v) | Initial Price: | [●]] |

*(Include the relevant provisions below, if the Underlying is a **Basket of Share Indices**)*

(i) Index Basket:

| *i* | $w_{(j=1)}$ | $w_{(j=2)}$ | … | Index | Exchange | Related Exchange |
|---|---|---|---|---|---|---|
| 1 | [●]% | [●]% | [●]% | [●] | [●]/Multiple Exchange | [●]/All Exchanges |
| 2 | [●]% | [●]% | [●]% | [●] | [●]/Multiple Exchange | [●]/All Exchanges |
| … | [●]% | [●]% | [●]% | [●] | [●]/Multiple Exchange | [●]/All Exchanges |

| | | |
|---|---|---|
| (ii) | Valuation Date(s): | [●] |
| [(iii) | Initial Valuation Date: | [●]] |

*(Include the relevant provisions below, if the Underlying is a **Fund**)*

(i) Reference Fund: [●] *(Insert full title of the Reference Fund, including its sponsor, the ISIN code, class, if applicable, and a short description)*

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

[(iii) Initial Price: [●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Funds**)*

(i) Fund Basket:

| *i* | $w_{(j=1)}$ | $w_{(j=2)}$ | … | Reference Fund | Class | Fund Description | Fund Administrator | ISIN |
|---|---|---|---|---|---|---|---|---|
| 1 | [●]% | [●]% | [●]% | [●] | [●] | [●] | [●] | [●] |
| 2 | [●]% | [●]% | [●]% | [●] | [●] | [●] | [●] | [●] |
| … | [●]% | [●]% | [●]% | [●] | [●] | [●] | [●] | [●] |

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

*(Include the relevant provisions below, if the Underlying is a **Commodity**)*

(i) Commodity: [●]

(ii) Exchange: [●]

(iii) Price Source: [●]

(iv) Valuation Time: [●]

(v) Valuation Date(s): [●]

[(vi) Initial Valuation Date: [●]]

[(vi) Initial Price: [●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Commodity**)*

(i) Commodity Basket:

| *i* | $w_{(j=1)}$ | $w_{(j=2)}$ | … | Commodity | Exchange | Price Source | Valuation |
|---|---|---|---|---|---|---|---|
| 1 | [●]% | [●]% | [●]% | [●] | [●] | [●] | [●] |
| 2 | [●]% | [●]% | [●]% | [●] | [●] | [●] | [●] |
| … | [●]% | [●]% | [●]% | [●] | [●] | [●] | [●] |

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

*(Include the relevant provisions below, if the Underlying is a **Commodity Index**)*

(i) Commodity Index: [●]

(ii) Valuation Time: [●]

(iii) Valuation Date(s): [●]

[(iv) Initial Valuation Date: [●]]

[(iv) Initial Price: [●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Commodity Indices**)*

(i) Commodity Index Basket:

| *i* | $w_{(j=1)}$ | $w_{(j=2)}$ | … | Commodity Index | Valuation Time |
|---|---|---|---|---|---|
| 1 | [●]% | [●]% | [●]% | [●] | [●] |
| 2 | [●]% | [●]% | [●]% | [●] | [●] |
| … | [●]% | [●]% | [●]% | [●] | [●] |

(ii) Valuation Date(s): [●]

[(iii) Initial Valuation Date: [●]]

*(Include the relevant provisions below, if the Underlying is an **Inflation Index**)*

(i) Index: [●]

[The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.]

(ii) Initial Index: [●]

(iii) Final Index: [●]

(iv) Index Sponsor: [●]

(v) Reference Month: [●]

*(include, if applicable, relevant disclaimer with respect to the index sponsor)* [●]

**REASONS FOR THE OFFER**

Reasons for the offer: [●]

[The Notes constitute Green Notes and Belfius will apply an amount equivalent to the net proceeds exclusively to finance and/or refinance Eligible Green Assets as described in the Green Bond Framework of Belfius. Investors should have regard to the factors described under the section headed "Risk Factors" in the Base Prospectus, in particular the risk factor entitled "*Risks related to Notes which qualify as "Green Notes" or "Social Notes" which have a particular use of proceeds identified in the applicable Final Terms*".]

[The Notes constitute Social Notes and Belfius will apply an amount equivalent to the net proceeds exclusively to finance and/or refinance Eligible Social Assets as described in the Social Bond Framework of Belfius. Investors should have regard to the factors described under the section headed "Risk Factors" in the Base Prospectus, in particular the risk factor entitled "*Risks related to Notes which qualify as "Green Notes" or "Social Notes" which have a particular use of proceeds identified in the applicable Final Terms*".]

(*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from general corporate purposes of the Issuer, will need to include those reasons here*.)

**DISTRIBUTION**

| | |
|---|---|
| Dealer(s): | [Belfius Bank SA/NV/ [●]] |
| Offer period: | [*Specify date*] until [*specify date*] |
| General consent: | [Not Applicable] [Applicable] |
| Other Authorised Offeror terms: | [Not Applicable] [*Add here any other Authorised Offeror Terms*].<br>(*Authorised Offeror Terms should only be included here where General Consent is Applicable*) |
| [Total commission and concession: | 1. **Fees and other costs included in the Issue Price**, linked to the structuration and management of the Notes and borne by the investors:<br>• **Upfront fee**: [Not Applicable] [[Maximum] [●]% of the subscribed nominal amount of Notes;]<br>• **One-off product costs**: [Not Applicable] [[Maximum] [●]% of the subscribed nominal amount of Notes];<br>• **Recurring annual product costs**: [Not Applicable] [[Maximum] [●]% of the subscribed nominal amount of Notes, *i.e.* a maximum of [●] % if the Notes are held until the scheduled Maturity Date.]<br>[The above-mentioned fees are indicative only. These fees may fluctuate either upwards or downwards depending on the market conditions during the Offer Period.]<br>2. **Fees and other costs not included in the Issue Price, and borne by the investors**:<br>**Brokerage fee**: [Not Applicable] [[●]% of the subscribed nominal amount of Notes, payable upfront];<br>[**Foreign exchange costs**: a foreign exchange rate commission of maximum [●]% could be charged to the investors.] |
| [Additional selling restrictions: | [●]] |

**OPERATIONAL INFORMATION**

| | |
|---|---|
| ISIN Code: | [●] |
| Common Code: | [●] |
| Clearing System(s): | [●] |
| Principal Paying Agent: | [Belfius Bank SA/NV][Banque Internationale à Luxembourg, SA] |

| | |
|---|---|
| Paying Agent: | [Not Applicable][Belfius Bank SA/NV] |
| [Relevant Benchmark[s]:] | [Not Applicable]/[[specify benchmark] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*][appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation.]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation.] |
| [Eligible Investors: | [The Notes offered may only be subscribed, purchased or held by investors in an exempt securities account (X-Account) that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System.][41] / [The Notes offered by the Issuer may be subscribed, purchased or held by investors in an exempt securities account (X-Account) or a non-exempt securities account (N-Account) that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System.]] |

**SECONDARY MARKET** *(Include this provision if Secondary Market is provided)*

[Applicable]

| | |
|---|---|
| Maximum Spread: | [●] |
| Maximum Commission: | [●] |
| Maximum Exit Penalty: | [●] |

**RESPONSIBILITY**

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....

Duly authorised

[Signed on behalf of the Guarantor:

By: .....

Duly authorised]

[41] Where Final Terms relate to an issuance of Notes in dematerialised form where SONIA, SOFR or €STR is selected as the Reference Rate, this option must always apply.

# Annex 2: Guarantee

A form of the Guarantee is reproduced here below:

**BELFIUS FINANCING COMPANY**
**And**
**BELFIUS BANK SA/NV**

**Notes Issuance Programme**

**GUARANTEE**
by
**Belfius Bank SA/NV**
**IN RELATION TO NOTES ISSUED BY Belfius Financing Company**

21 May 2024

WHEREAS the Board of Directors of Belfius Financing Company (the "**Issuer**" or "**Belfius Financing Company**") has decided on 27 February 2024 to update the Notes Issuance Programme (the "**Programme**") under which it may from time to time issue Notes (the "**Belfius Financing Company Notes**"), which may be linked to various underlyings (the "**Underlying**"), that rank as senior preferred obligations of the Issuer according to the terms and conditions enumerated in such decision. Belfius Financing Company Notes will be guaranteed by Belfius Bank SA/NV (also named Belfius Banque SA/Belfius Bank NV) (the "**Guarantor**" or "**Belfius Bank**") pursuant to this senior preferred guarantee (the "**Guarantee**");

WHEREAS the Management Board of Belfius Bank has approved to guarantee the issuance by Belfius Financing Company of Belfius Financing Company Notes under the Programme by its decision of 4 January 2024;

WHEREAS the Management Board of Belfius Bank in its decision of 4 January 2024 has delegated all powers to execute such Guarantee to, among others, Mr. D. Gyselinck, Mr. J. Vankelecom and Ms. M. Collin, acting two of them jointly, members of the Management Board.

The Guarantor hereby unconditionally and irrevocably guarantees as and for its own debt to each holder of each Belfius Financing Company Note (each a "**Noteholder**" and together the "**Noteholders**") to pay or procure to pay such amounts to the Noteholders who have not obtained due payment from the Issuer if and when such amounts fall due under the Terms and Conditions. The Terms and Conditions are those enumerated in the Base Prospectus dated 21 May 2024 in relation to the Programme and the relevant Final Terms of the Belfius Financing Company Notes, and which are included by reference in the present Guarantee. This Guarantee is enforceable against the Guarantor upon first demand sent by the holder by registered mail to the statutory seat of the Guarantor.

The Base Prospectus dated 21 May 2024 in relation to the Programme has been approved by the Financial Services and Markets Authority in its decision of 21 May 2024.

It is understood that any payments to be made under this Guarantee shall be made in the currency of the underlying Notes.

This Guarantee is a continuing guarantee and nothing but payment in full of the amounts due by the Issuer in application of the Notes hereby guaranteed shall discharge the Guarantor of its obligations hereunder in respect of such Notes.

This Guarantee shall be governed by, and interpreted in accordance with, the laws of Belgium.

This Guarantee may be executed in any number of counterparts.

All actions arising out of or based upon this Guarantee are to be brought before the competent Courts in Brussels.

In witness whereof, the Guarantor has authorised and caused this Guarantee to be duly executed and delivered as of 21 May 2024.

On behalf of Belfius Bank SA/NV

[Dirk Gyselinck]

[Johan Vankelecom]

# Annex 3: Articles of Association

## A. Belfius Bank

Copies of the articles of Association (in English, French and Dutch) of Belfius Bank may be obtained without charge from the offices of Belfius Bank and are also available on the website of Belfius Bank (https://www.belfius.be) in the Company profile, section "Corporate governance" (link https://www.belfius.be/about-us/en/corporate-governance/governance/articles-of-association).

## B. Belfius Financing Company

**BELFIUS FINANCING COMPANY**
Société anonyme
R.C.S. Luxembourg B 156.767

# Articles of Association
# Dated 7 May 2014

**Title I. - Denomination, Registered office, Object, Duration**

**Art. 1.** There is hereby established a *société anonyme* under the name of "Belfius Financing Company".

**Art. 2.** The registered office of the company is established in the municipality of Koerich.

It may be transferred to any other place in the municipality of Koerich by a decision of the board of directors

If extraordinary political or economic events occur or are imminent, which might interfere with the normal activity at the registered office, or with easy communication between this office and abroad, the registered office may be declared to have been transferred abroad provisionally until the complete cessation of these abnormal circumstances.

Such decision, however, shall have no effect on the nationality of the company. Such declaration of the transfer of the registered office shall be made and brought to the attention of third parties by the organ of the corporation, which is best situated for this purpose under such circumstances.

**Art. 3.** The company is established for an unlimited period.

**Art. 4.** The purpose of the Company is: (a) to hold shareholdings and stakes, in any form whatsoever, in any commercial, industrial, financial or other Luxembourg or foreign company or undertakings, as well as to manage and optimise these stakes, (b) to acquire by way of participations, contributions, guarantees, acquisitions or options, negotiation or any other means, securities, rights, patents, licenses and other assets, provided the Company considers it appropriate to do so, and in general to hold, manage, optimise, sell or transfer the aforementioned, in whole or in part; (c) to take part in commercial, financial or other transactions and to grant to any holding company, subsidiary, associated or affiliated company or any other company belonging to the same corporate group as the Company any financial assistance, loan, advance or guarantee; (d) to borrow, raise funds by any means whatsoever (including without limitation the issuance of preferred equity certificates (PECs) (nonconvertible or convertible into shares), loans, bonds, acknowledgements of debt and any other form of debt or type of instrument) and to ensure the reimbursement of any borrowed amount; to perform all operations directly or indirectly related to this purpose.

The Company may grant pledges, guarantees, liens, mortgages and any other type of security (surety), as well as any form of compensation, to Luxembourg or foreign entity(ies) in relation to its own obligations and debts, or in relation to the obligations and debts of subsidiaries, associated or affiliated companies or any company belonging to the same corporate group.

The Company may acquire immovable property located abroad or in Luxembourg.

The Company may moreover perform any commercial, technical or financial transactions, involving movable or immovable property, which are directly or indirectly related to the abovementioned purpose.

**Title II. - Capital, Shares**

**Art. 5.** The share capital of the Company is set at three million ninety-four thousand four euro (EUR 3,094,004) divided into two hundred and fifty-one (251) shares, without nominal value.

The shares are in registered form.

The company may, to the extent and under the terms permitted by law, purchase its own shares.

The corporate capital may be increased or reduced in compliance with the legal requirements.

The company recognises only one single owner per share. If one or more shares are jointly owned or if the ownership of such share(s) is disputed, all persons claiming a right to such share(s) have to appoint one single attorney to represent such share(s) towards the company.

The failure to appoint such attorney implies a suspension of all rights attached to such share(s).

**Title III. – Management**

**Art. 6.** The Company shall be managed by a board of directors composed of at least three (3) directors, who need not be shareholders of the Company. The directors shall be elected by the shareholders at a general meeting, which shall determine their number, remuneration and term of office. The term of office of a director may not exceed six (6) years and the directors shalt hold office until their successors are elected. The directors may be re-elected for consecutive terms of office. The directors are split in two (2) categories, directors of category A and directors of category B.

In case the company is incorporated by a sole shareholder, or if, at a general meeting of shareholders, it is noted that the company only has one shareholder, the composition of the board of directors may be limited to one sole director until the next annual general meeting at which it is noted that the company has (again) more than one shareholder.
In this case, the sole director exercises the powers devolving on the board of directors.
The directors are elected by a simple majority vote of the shares present or represented. Any director may be removed at any time with or without cause by the general meeting of shareholders.
In the event of a vacancy in the office of a director because of death, retirement or otherwise, this vacancy may be filled out on a temporary basis until the next meeting of shareholders, in compliance with the applicable legal provisions.
**Art. 7.** The board of directors will elect from among its members a chairman. When he is prevented, he is replaced by the eldest director. The first chairman may be appointed by the extraordinary general shareholders meeting following the incorporation of the company.
The board of directors convenes upon call by the chairman or by the eldest director, when the chairman is prevented, as often as the interest of the corporation so requires. It must be convened each time two directors so request.
Any director may act at any meeting of the board of directors by appointing in writing or by telegram, telex or facsimile another director as his proxy. A director may represent one or more of his colleagues.
The board of directors can deliberate and/or act validly only if all the directors are present or represented at a meeting of the board of directors. If the required presence quorum is not attained, the meeting shall be adjourned and a second meeting shall be convened at the same hour, five business days later, which will deliberate and/or act validly only if a majority of the directors is present or represented at such meeting.
Decisions shall be taken by a majority vote of the directors present or represented at such meeting. In case of a tie in votes, the vote of the chairman of the meeting will be decisive.
Board resolutions can also be taken by circular letter, the signatures of the different board members may be apposed on several exemplars of the board resolution in writing.
Any director may also participate in any meeting of the board of directors by conference call, videoconference or by other similar means of communication allowing all the persons taking part in the meeting to hear one another. The participation in a meeting by these means is equivalent to a participation in person at such meeting.
**Art. 8.** The board of directors is vested with the broadest powers do perform all acts of administration and disposition in compliance with the corporate object.
All powers not expressly reserved by law or by the present articles of association to the general meeting of shareholders fall within the competence of the board of directors. The board of directors may pay interim dividends, in compliance with the legal requirements.
**Art. 9.** The Company will only be bound by the joint signature of any A director together with any B director or by the single signature to whom such signatory power has been validly delegated by the board of directors or by a decision signed by a director A and by a director B jointly
**Art. 10.** The board of directors may delegate its powers to conduct the daily management of the company to one or more directors, officers, managers or other agents, shareholder or not, acting alone or jointly.
The board of directors may also commit the management of all the affairs of the corporation or of a special branch to one or more managers, and give special powers for determined matters to one or more proxy holders, selected from its own members or not, either shareholders or not.
**Art. 11.** Any litigations involving the company either as plaintiff or as defendant, will be handled in the name of the company by the board of directors, represented by its chairman or by the director delegated for this purpose.

**Title IV. - Supervision**

**Art. 12.** The company is supervised by one or several statutory auditors, appointed by the general meeting of shareholders which will fix their number and their remuneration, as well as the term of their office, which must not exceed six years.
Whenever required by law the company is supervised by one or several independent auditors in lieu of the statutory auditor(s).
The independent auditors are appointed, pursuant to the related legal provisions, either by the general meeting of shareholders or by the board of directors. The independent auditors shall fulfil all the duties set forth by the related law.

**Title V. - General meeting**

**Art. 13.** The general meeting of shareholders of the company represents all the shareholders of the company. It has the broadest powers to order, carry out or ratify acts relating to the operations of the company, unless the present articles of association provide otherwise.
The annual general meeting will be held in the city of Luxembourg at the place specified in the convening notices on the third Wednesday of March at 10.00 a.m.

If such day is a legal holiday, the general meeting will be held on the next following business day.
Other general meetings of shareholders may be held at such places and dates as may be specified in the respective notices of meeting.
Each share entitles one vote. Each shareholder may participate to the meetings of the shareholders by appointing in writing, by telecopy, email or any other similar means of communication, another person as his proxy-holder.
If all shareholders are present or represented at a meeting of the shareholders, and if they declare knowing the agenda, the meeting may be held without convening notice or prior publication.
If the company only has one sole shareholder, the latter exercises the powers devolving on the general meeting,

**Title VI. - Accounting year, Allocation of profits**

**Art. 14.** The accounting year of the company shall begin on January 1 and shall terminate on December 31 of each year.

**Art. 15.** After deduction of any and all of the expenses of the company and the amortizations, the credit balance represents the net profits of the company. Of the net profits, five percent (5,00 %) shall he appropriated for the legal reserve; this deduction ceases to be compulsory when the reserve amounts to ten percent (10,00 %) of the capital of the company, but it must be resumed until the reserve is entirely reconstituted if, at any time, for any reason whatsoever, it has been touched.
The balance is at the disposal of the general meeting.

**Title VII. - Dissolution, Liquidation**

**Art. 16.** The company may be dissolved by a resolution of the general meeting of shareholders. The liquidation will be carried out by one or more liquidators, physical or legal persons, appointed by the general meeting of shareholders which will specify their powers and fix their remunerations.

**Title VIII. - General provisions**

**Art. 17.** All matters not governed by these articles of association are to be construed in accordance with the law of August 10th 1915 on commercial companies and the amendments hereto.

# Annex 4: Agency Agreement

**BELFIUS FINANCING COMPANY**
**as Issuer**
**and**
**BELFIUS BANK SA/NV**
**as Guarantor of Notes issued by Belfius Financing Company, Paying Agent and Calculation Agent**

**BANQUE INTERNATIONALE A LUXEMBOURG SA**
**as Fiscal Agent and Principal Paying Agent**

# AGENCY AGREEMENT

**Relating to the Notes issued in bearer form by Belfius Financing Company (hereafter the "Bearer Notes")**

**under the**
**BELFIUS FINANCING COMPANY**
**AND**
**BELFIUS BANK SA/NV**

**NOTES ISSUANCE PROGRAMME**

21 May 2024

**This Agency Agreement** (the "**Agreement**") is made as of 21 May 2024 and amends and restates the Agency Agreement dated 23 May 2023 as modified from time to time **BETWEEN**:

**(1)** **Belfius Financing Company** with its registered office located at 20, rue de l'Industrie, L-8399 Windhof, Grand Duchy of Luxembourg ("**Belfius Financing Company**", the "Issuer");

**(2)** **Belfius Bank SA/NV**, with its registered office at Place Charles Rogier 11, B-1210 Brussels, Belgium ("**Belfius Bank**" in its capacity as guarantor of the Notes the "**Guarantor**", in its capacity as paying agent, the "**Paying Agent**" and its capacity as calculation agent, the "**Calculation Agent**" in the case of Notes issued by Belfius Financing Company under the Notes Issuance Programme); and

**(3)** **BANQUE INTERNATIONALE A LUXEMBOURG, SOCIETE ANONYME** with its register office at 69, route d'Esch, L-2953, Luxembourg, Grand Duchy of Luxembourg ("**BIL**", in its capacity as fiscal agent the "**Fiscal Agent**" and its capacity as principal paying agent the "**Principal Paying Agent**").

**WHEREAS**

**(A)** Belfius Financing Company, in accordance with the resolutions of the Board of Directors of Belfius Financing Company, passed on 27 February 2024, may from time to time issue Bearer Notes (the "**Belfius Financing Company Notes**") under the updated Notes Issuance Programme to be dated on or around 21 May 2024 (the "**Programme**"), which may be linked to various underlyings (the "**Underlying**"), that rank as senior obligations of the Issuer (the "**Notes**"). The Notes will be guaranteed by the Guarantor pursuant to a senior guarantee (the "**Guarantee**") in accordance with the resolutions of the Management Board of the Guarantor passed on 4 January 2024.

**(B)** The Programme is described in the prospectus (the "**Prospectus**") dated 21 May 2024 that replaces and supersedes, as of such date, the Prospectus dated 23 May 2023.

**(C)** For the purposes of the Programme the parties (or their predecessors) to this Agency Agreement entered into an agency agreement dated 23 May 2023 (the "**Original Agency Agreement**") to be amended, restated and superseded by this Agency Agreement.

**(D)** Any Bearer Notes issued on or after the date of this Agency Agreement shall be issued under the Programme pursuant to this Agency Agreement. The amendments to the Original Agency Agreement made by this Agency Agreement shall not apply in respect of any further Belfius Financing Company Notes issued pursuant to the Original Agency Agreement on or after the date hereof that are consolidated and form a single series with any Notes issued prior to the date hereof.

**IT HAS BEEN AGREED AS FOLLOWS**:

## Article 1

The Issuer hereby warrants as follows:

(i) That it is duly incorporated and validly existing under the laws of its country of incorporation and that it has corporate power and authority to conduct its business and to execute, deliver and comply with the provisions of this Agreement and the Notes, as the case may be;

(ii) that all necessary consents, authorizations, notifications, registrations and filings have been obtained or made (and are in full force and effect) in connection with the compliance by the Issuer with the respective terms of this Agreement and the Notes including all payments to be made by the Issuer thereunder or in connection therewith;

(iii) that this Agreement constitutes, and upon due execution, issue and/or delivery as aforesaid the Notes will constitute, valid and legally binding obligations of the Issuer in accordance with their respective terms;

(iv) that the Prospectus is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(v) that the financial statements and other financial information in the Programme present fairly its financial position and since the date of the most recent financial statements therein contained there has been no material adverse change, financial or otherwise in the condition, general affairs, results of operation or prospects other than as referred to in the Prospectus;

(vi) that no events exist which, had any Notes been issued, would (or, with the giving of notice or lapse of time or both, could) constitute an event of default under the Notes;

(vii) that no litigation, arbitration or administrative proceedings are presently current or pending or, to the knowledge of the Issuer threatening which would or might have a material adverse effect on the Issuer or on the ability of the Issuer to perform its obligations under this Agreement and the Notes;

(viii) that under presently applicable rules, all payments to be made by the Issuer under this Agreement and the Notes are exempt from any taxes, by way of deduction or withholding, and the Issuer is not required by law to make any deduction or withholding therefrom;

(ix) that the Issuer will pay all and any stamp and other similar taxes and duties payable in its country of incorporation in connection with the authorization, execution and delivery of the Notes, the initial delivery of the Notes and the execution and delivery of this Agreement.

## Article 2

The Bearer Notes are issued in bearer form in the Denominations specified in the relevant Final Terms. They will be represented by a Permanent Global Note, deposited with the common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A. and will not be exchangeable for definitive notes.

The Bearer Notes will not be physically delivered. They will be held in a securities account.

## Article 3

The Issuer appoints BIL as Principal Paying Agent and Fiscal Agent and Belfius Bank as Calculation Agent and Paying Agent (together referred to as the "**Agents**") in respect of any Tranche of Bearer Notes issued under the Programme upon the terms and subject to the conditions herein set forth, unless otherwise specified in the relevant Final Terms.

## Article 4

The Issuer or the Guarantor authorises and directs the Fiscal Agent, from the funds provided to it, to make payments of principal and interest on the Bearer Notes on the relevant due dates.

(1) The Issuer will, before 10.00 a.m. (Central European Time), on each date on which any payment in respect of any Bearer Notes becomes due under the Conditions, transfer to an account specified by the Fiscal and Principal Paying Agent from time to time such amount in the relevant currency as shall be sufficient for the purposes of such payment in funds settled through such payment system as the Fiscal and Principal Paying Agent and the Issuer may from time to time agree.

(2) Any funds paid by or by arrangement with the Issuer to the Fiscal and Principal Paying Agent pursuant to subclause (1) shall be held by the relevant Agent for payment to the Noteholders, until any payments under the Bearer Notes become prescribed under the Conditions.

(3) The Issuer will ensure that no later than 10.00 a.m. (Central European Time) on the second Business Day (as defined below) immediately preceding the date on which any payment is to be made to the relevant Agent pursuant to subclause (1), the Fiscal and Principal Paying Agent shall receive an irrevocable payment confirmation by authenticated SWIFT from the paying bank of the Issuer. For the purposes of this subclause, **"Business Day"** means any day on which T2 (the real time gross settlement system operated by the Eurosystem, or any successor system) is open and any other day so specified in the relevant Final Terms.

(4) The Fiscal and Principal Paying Agent shall notify by facsimile or by e-mail the Issuer forthwith:

(a) if it has not by the relevant date specified in subclause (1) received unconditionally the full amount in the Specified Currency required for the payment; and

(b) if it received unconditionally the full amount of any sum payable in respect of the Bearer Notes after such date.

(5) If for any reason the Fiscal and Principal Paying Agent considers in its sole discretion that the amounts to be received by it pursuant to subclause (1) will be, or the amounts actually received by it pursuant thereto are, insufficient to satisfy all claims in respect of all payments then falling due in respect of the Bearer Notes, the Agents shall not be obliged to pay any such claims until the Fiscal and Principal Paying Agent have received the full amount of all such payments.

(6) Without prejudice to subclause (5), if the Fiscal and Principal Paying Agent pays any amounts to the holders of Bearer Notes or to any other Paying Agent at a time when it has not received payment in full in respect of the relevant Bearer Notes in accordance with subclause (1) (the excess of the amounts so paid over the amount so received being the "**Shortfall**"), the Issuer will, in addition to paying amounts due under subclause (1), pay to

the Fiscal and Principal Paying Agent on demand interest (at a rate which represents the Fiscal and Principal Paying Agent's cost of funding the Shortfall) on the Shortfall (or the unreimbursed portion thereof) until receipt in full by the Fiscal and Principal Paying Agent of the Shortfall.

(7) The Fiscal and Principal Paying Agent shall on demand promptly reimburse each other Paying Agent for payments in respect of Bearer Notes properly made by such Paying Agent in accordance with this Agreement and the Conditions unless the relevant Agent has notified the relevant Paying Agent that the Fiscal and Principal Paying Agent does not expect to receive on the due date of a payment in respect of the Bearer Notes sufficient funds to make payment of all amounts falling due in respect of such Bearer Notes.

(8) Whilst any Bearer Notes are represented by a Permanent Global Note, all payments due in respect of such Notes shall be made to, or to the order of, the holder of the Permanent Global Note, subject to and in accordance with the provisions of the Permanent Global Note. On the occasion of any such payment, the Paying Agent to which any Permanent Global Note was presented for the purpose of making such payment shall cause the appropriate Schedule to the relevant Permanent Global Note to be annotated in order to evidence the amounts and dates of such payments of principal and/or interest as applicable.

(9) If the amount or principal and/or interest then due for payment is not paid in full (otherwise than by reason of a deduction required by law to be made therefrom or a certification required by the terms of a Note not being received), the Paying Agent to which a Note is presented for the purpose of making such payment shall make a record of such shortfall on the relevant Note and such record shall, in the absence of manifest error, be *prima facie* evidence that the payment in question has not to that extent been made.

## Article 5

The Calculation Agent shall in respect of the Notes:

(a) obtain such quotes and rates and/or make such determinations, calculations, adjustments, notifications and publications as may be required to be made by it by the chapter Terms and Conditions of the Notes in the Prospectus (the "**Terms and Conditions**") at the times and otherwise in accordance with the Terms and Conditions;

(b) maintain a record of all quotations obtained by it and of all amounts, rates and other items determined or calculated by it and make such record available for inspection at all reasonable times by the Issuer, the Guarantor and the Paying Agents;

(c) promptly notify (and confirm in writing to) the Issuer, the other Paying Agents of each Interest Amount, Interest Rate and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions as soon as practicable after their determination and of any subsequent amendments to them under the Conditions; and

(d) use its best endeavours to cause each Interest Amount, Interest Rate and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions to be published as required in accordance with the Conditions as soon as possible after their determination or calculation.

## Article 6

The Issuer, or failing whom the Guarantor, will indemnify the Fiscal Agent against any loss, liability and reasonable expenses which may be incurred by it by reason of, or in connection with the exercise of its duties as Fiscal Agent, except such as may result from the Fiscal Agent's own negligence or intentional fault. The Fiscal Agent shall not be liable to pay interest on any moneys deposited with it by the Issuer and/or the Guarantor for the purpose of its functions as Fiscal Agent.

The indemnities contained in this Article 6 shall survive the termination or expiry of this Agreement.

## Article 7

The Issuer, failing whom the Guarantor, shall pay the fees and expenses in respect of the Agents' services in relation to any Tranche of Notes to the Fiscal Agent as separately agreed with the Fiscal Agent.

The Issuer will also reimburse the Fiscal Agent all reasonable out-of-pocket expenses (including, *inter alia*, publication, cable and telex costs and postage) incurred by it in connection with the services rendered hereunder, upon its written request.

The Fiscal Agent shall be responsible for the remuneration of the Agents and for the reimbursement of the expenses incurred by them.

## Article 8

(1) Each Agent shall be entitled to deal with money paid to it by the Issuer for the purpose of this Agreement in the same manner as other money paid to a banker by its customers except:

(a) that it shall not exercise any right of set-off, lien or similar claim in respect thereof except in the case of money due to the Issuer, and any amounts that are due but unpaid or are to be reimbursed by the Issuer under this Agreement; and

(b) that it shall not be liable to account to the Issuer for any interest thereon.

No monies held by any Agent need be segregated except as required by law.

(2) In acting hereunder and in connection with the Bearer Notes, each Agent shall act solely as an agent of the Issuer and will not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Bearer Notes.

(3) Each Agent hereby undertakes to the Issuer to perform such obligations and duties, and shall be obliged to perform such duties and only such duties, as are herein specified and in the Conditions, and no implied duties or obligations shall be read into any such document against any Agent, other than the duty to act honestly and in good faith and to exercise the diligence of a reasonably prudent agent in comparable circumstances.

(4) The Fiscal and Principal Paying Agent may consult with legal and other professional advisers and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.

(5) Each Agent may rely upon and shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, facsimile, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the Issuer.

(6) Any Agent and its officers, directors and employees may become the owner of and/or acquire any interest in, any Notes with the same rights that it or they would have had if the Paying Agent concerned were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Issuer and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or in connection with any other obligations of the Issuer as freely as if the Agent were not appointed hereunder.

(7) The Issuer shall provide the Fiscal and Principal Paying Agent with a certified copy of the list of persons authorised to execute documents and take action on its behalf in connection with this Agreement and shall notify the Fiscal and Principal Paying Agent immediately in writing if any of such persons ceases to be so authorised or if any additional person becomes so authorised together, in the case of any additional authorised person, with evidence satisfactory to the Agent that such person has been so authorised.

(8) Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer and each of the Agents shall be entitled to treat the bearer of any Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof).

## Article 9

This Agreement may be amended by the parties hereto without the consent of the Noteholders, for the purpose of curing any ambiguity or in any manner which the parties may mutually deem necessary or desirable.

## Article 10

The Issuer agrees that there shall at all times be a Fiscal Agent, until all the Notes shall have been redeemed and/or purchased and cancelled or shall have become void under the provisions of the prescription clause in the Terms and Conditions.

Each of the Agents may be removed at any time by the filing with it of at least 90 days written notice to that effect signed by or on behalf of the Issuer, specifying the date on which such removal shall become effective, and each of the Agents may at any time resign by giving at least 90 days written notice (unless the Issuer agrees to accept less notice) to that effect to the Issuer, specifying the date on which such resignation shall become effective, provided however that no such notice shall take effect less than 45 days prior to and 45 days after a payment date under the Notes in any year and that no such resignation or removal shall take effect until a new Fiscal Agent, Principal Paying Agent, Paying Agent or Calculation Agent has been appointed by the Issuer and such appointment

has been accepted by the Issuer. Upon its removal or resignation becoming effective, the successor Fiscal Agent shall be entitled to receive all funds and documents on deposit with or held by its predecessor as Fiscal Agent.

## Article 11

The Issuer and the Guarantor undertake to deliver to the Principal Paying Agent during the term of the Notes, upon its request, copies of its annual report and interim report, if any.

## Article 12

The Issuer and the Guarantor may at any time convene a meeting of Noteholders. The provisions for convening a meeting of Noteholders are detailed in the Programme.

## Article 13

Any notice hereunder shall be addressed

if to Belfius Financing Company:

to: Belfius Financing Company
20 rue de l'Industrie
L-8399 Windhof
Grand Duchy of Luxembourg
Attn.: Laurent Lassine
Fax: +352 27 32 95 20
Tel: +352 27 32 95 1
mailto: cp@belfius-fc.lu

if to Belfius Bank:

to: Belfius Bank SA/NV
Place Charles Rogier 11
B-1210 Bruxelles
Belgium
P/A RT 06/22
Attn: Financial Markets Transaction Services
Fax: +32 2 285 10 87
Phone: + 32 2 222 14 08
Swift: GKCCBEBB
mailto: CMcustodymgt@belfius.be
CMtransrelease@belfius.be

if to BIL:

to: Banque Internationale à Luxembourg, société anonyme
69, route d'Esch
L-2953 Luxembourg
Grand Duchy of Luxembourg
Attn.: Agency Services
Phone: +352 4590 1
Fax: +352 4590 3473
Swift: BILLLULL
mailto: paying.agency@bil.com and Agency.Services@bil.com

All such notices shall be sent by registered mail. Such notices shall be effective upon receipt of the registered mail.

## Article 14

(1) No Paying Agent shall be responsible or accountable to anyone with respect to the validity of this Agreement or the Notes or for any act or mission by it in connection with this Agreement or any Note except for its own gross negligence, intentional fault or bad faith, including that of its officers, directors and employees.

(2) No Paying Agent shall have any duty or responsibility in case of any default by the Issuer in the performance of its obligations under the Terms and Conditions or, in the case of receipt of a written demand from a Noteholder, with respect to such default, provided however that forthwith upon receipt by the Agent of a notice given by a Noteholder in accordance with Condition *"Events of Default"*, the Agent will notify the Issuer and the

Guarantor thereof and furnish them with a copy of such notice.

Whenever in the performance of its duties under this Agreement a Paying Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Issuer prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an authorised officer of the Issuer and delivered to such Paying Agent and such certificate shall be full authorisation to such Paying Agent, in its capacity as such, for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

## Article 15

This Agreement is governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg. All disputes arising in connection herewith between the Issuer, the Guarantor, the Fiscal Agent, the Principal Paying Agent, the Calculation Agent shall be subject to the non-exclusive jurisdiction of the courts of Luxembourg.

The provisions of articles 470-1 to 470-19 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, shall not apply to the Notes.

THUS DONE AND SIGNED ON 21 May 2024

Belfius Financing Company
as Issuer

By:

Belfius Bank SA/NV
as Guarantor of Notes issued by Belfius Financing Company SA, Paying Agent and Calculation Agent

By:

BANQUE INTERNATIONALE A LUXEMBOURG société anonyme
as Fiscal Agent and Principal Paying Agent

By:

## ANNEX 1: TEMPLATE FOR PERMANENT GLOBAL NOTE

# BELFIUS FINANCING COMPANY

(*Incorporated with limited liability under the laws of the Grand Duchy of Luxembourg*)

**Issuer**

# BELFIUS BANK SA/NV

(*Incorporated with limited liability under the laws of Belgium*)

**Issuer, Guarantor, Domiciliary Agent, Principal Paying Agent, Paying Agent and Calculation Agent**

**BANQUE INTERNATIONALE A LUXEMBOURG,**

**SOCIETE ANONYME**

**Fiscal Agent and Principal Paying Agent**

## NOTES ISSUANCE PROGRAMME

EUR 20,000,000,000

# PERMANENT GLOBAL NOTE

Permanent Global Note Series No: [●]

Nominal Amount of the Tranche: [●]

ISIN Code of the Notes: [●]

This Permanent Global Note is issued in respect of the Bearer Notes (the "**Notes**") of the Tranche(s) and Series specified in Part A of the Schedule hereto of Belfius Financing Company (the "**Issuer**") and guaranteed by Belfius Bank SA/NV (the "**Guarantor**") pursuant to the Guarantee dated 21 May 2024, as amended and supplemented from time to time.

**Interpretation and Definitions**

References in this Permanent Global Note to the "**Conditions**" are to the Terms and Conditions of the Notes (which are in the form set out in Annex 2 to the Agency Agreement dated 21 May 2024 between Belfius Financing Company as the Issuer, Belfius Bank SA/NV as the Guarantor of Notes issued by Belfius Financing Company, Calculation Agent and Paying Agent and Banque Internationale à Luxembourg, société anonyme as the Fiscal Agent and Principal Paying Agent, as such form is supplemented and/or modified and/or superseded by the provisions of this Permanent Global Note (including the supplemental definitions and any modifications or additions set out in Part A of the Schedule hereto). Other capitalised terms used in this Permanent Global Note shall have the meanings given to them in the Conditions or in the Agency Agreement. No provisions of this Permanent Global Note shall alter or impair the obligation of the Issuer and the Guarantor to pay the principal of and interest on the Notes when due in accordance with the Conditions and the relevant Guarantee.

Subject as provided in this Permanent Global Note, the Issuer (failing whom the Guarantor), promises to pay the Noteholder on Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Permanent Global Note may become due and repayable in accordance with the Conditions, the amount payable under the Conditions in respect of the Notes represented by this Global Note on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Permanent Global Note.

This Permanent Global Note shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Fiscal Agent.

This Permanent Global Note shall be governed by and construed in accordance with Belgian law.

**IN WITNESS** whereof the Issuer has caused this Permanent Global Note to be duly signed on its behalf.

[Dated as of the Issue Date]

**Belfius Financing Company**

By:

**CERTIFICATE OF AUTHENTICATION**

This Permanent Global Note is authenticated by or on behalf of the Fiscal Agent.

**BANQUE INTERNATIONALE A LUXEMBOURG, société anonyme**

as Fiscal Agent

By:

Authorised Signatory
For the purposes of authentication only.

# SCHEDULE: FINAL TERMS

[*Insert the relevant Final Terms that relate to the Permanent Global Note*]

# ANNEX 2: TERMS AND CONDITIONS

See prospectus Section 8 TERMS AND CONDITIONS

# Annex 5: Reports Belfius Financing Company

## A. Audited accounts of Belfius Financing Company as at 31 December 2022

See below.

## B. Audited accounts of Belfius Financing Company as at 31 December 2023

See below.

# BELFIUS FINANCING COMPANY S.A.
# SOCIETE ANONYME

Annual accounts and Report of the Réviseur d'Entreprises Agréé

as at December 31, 2022

20, rue de l'Industrie

L-8399 Windhof

**R.C.S. Luxembourg: B 156767**

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To the Shareholders of
Belfius Financing Company S.A.
20, rue de l'industrie
L-8399 Windhof
Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### *Report on the audit of the annual accounts*

### *Opinion*

We have audited the annual accounts of Belfius Financing Company S.A. (the "Company"), which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

### *Basis for opinion*

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other information*

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### *Responsibilities of the Board of Directors for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### *Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts*

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *Report on other legal and regulatory requirements*

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Luxembourg,15 March 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

S. Smets

Partner

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

**BALANCE SHEET**

As at December 31, 2022

(expressed in EUR)

**Annual Accounts Helpdesk :**

**Tel. : (+352) 247 88 494**
**Email : centralebilans@statec.etat.lu**

| RCSL Nr. : B156767 | Matricule : 2010 2227 922 |
|---|---|
| | eCDF entry date : |

# BALANCE SHEET

**Financial year from** 01 01/01/2022 **to** 02 31/12/2022 *(in* 03 EUR *)*

Belfius Financing Company

20, Rue de l'Industrie
L-8399 Windhof

## ASSETS

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| **A. Subscribed capital unpaid** | 1101 6 | 101 981.000,00 | 102 981.000,00 |
| I. Subscribed capital not called | 1103 | 103 981.000,00 | 104 981.000,00 |
| II. Subscribed capital called but unpaid | 1105 | 105 | 106 |
| **B. Formation expenses** | 1107 | 107 | 108 |
| **C. Fixed assets** | 1109 3 | 109 8.387,75 | 110 11.109,35 |
| I. Intangible assets | 1111 | 111 | 112 |
| 1. Costs of development | 1113 | 113 | 114 |
| 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were | 1115 | 115 | 116 |
| a) acquired for valuable consideration and need not be shown under C.I.3 | 1117 | 117 | 118 |
| b) created by the undertaking itself | 1119 | 119 | 120 |
| 3. Goodwill, to the extent that it was acquired for valuable consideration | 1121 | 121 | 122 |
| 4. Payments on account and intangible assets under development | 1123 | 123 | 124 |
| II. Tangible assets | 1125 | 125 8.387,75 | 126 11.109,35 |
| 1. Land and buildings | 1127 | 127 | 128 |
| 2. Plant and machinery | 1129 | 129 | 130 |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule : 2010 2227 922 |
|---|---|

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| 3. Other fixtures and fittings, tools and equipment | 1131 | 131 8.387,75 | 132 11.109,35 |
| 4. Payments on account and tangible assets in the course of construction | 1133 | 133 | 134 |
| III. Financial assets | 1135 | 135 | 136 |
| 1. Shares in affiliated undertakings | 1137 | 137 | 138 |
| 2. Loans to affiliated undertakings | 1139 | 139 | 140 |
| 3. Participating interests | 1141 | 141 | 142 |
| 4. Loans to undertakings with which the undertaking is linked by virtue of participating interests | 1143 | 143 | 144 |
| 5. Investments held as fixed assets | 1145 | 145 | 146 |
| 6. Other loans | 1147 | 147 | 148 |
| **D. Current assets** | 1151 | 151 10.863.912.968,91 | 152 9.048.259.134,02 |
| I. Stocks | 1153 | 153 | 154 |
| 1. Raw materials and consumables | 1155 | 155 | 156 |
| 2. Work in progress | 1157 | 157 | 158 |
| 3. Finished goods and goods for resale | 1159 | 159 | 160 |
| 4. Payments on account | 1161 | 161 | 162 |
| II. Debtors | 1163 4 | 163 6.971.324,97 | 164 164.510,00 |
| 1. Trade debtors | 1165 | 165 | 166 |
| a) becoming due and payable within one year | 1167 | 167 | 168 |
| b) becoming due and payable after more than one year | 1169 | 169 | 170 |
| 2. Amounts owed by affiliated undertakings | 1171 | 171 6.860.938,97 | 172 |
| a) becoming due and payable within one year | 1173 | 173 6.860.938,97 | 174 |
| b) becoming due and payable after more than one year | 1175 | 175 | 176 |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1177 | 177 | 178 |
| a) becoming due and payable within one year | 1179 | 179 | 180 |
| b) becoming due and payable after more than one year | 1181 | 181 | 182 |
| 4. Other debtors | 1183 | 183 110.386,00 | 184 164.510,00 |
| a) becoming due and payable within one year | 1185 | 185 110.386,00 | 186 164.510,00 |
| b) becoming due and payable after more than one year | 1187 | 187 | 188 |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule: 2010 2227 922 |
|---|---|

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| III. | Investments | 1189 5 | 189 | 10.854.044.707,72 | 190 | 9.045.382.693,59 |
| | 1. Shares in affiliated undertakings | 1191 | 191 | | 192 | |
| | 2. Own shares | 1209 | 209 | | 210 | |
| | 3. Other investments | 1195 | 195 | 10.854.044.707,72 | 196 | 9.045.382.693,59 |
| IV. | Cash at bank and in hand | 1197 | 197 | 2.896.936,22 | 198 | 2.711.930,43 |
| **E.** | **Prepayments** | 1199 | 199 | 10.551,13 | 200 | 11.449,19 |
| | **TOTAL (ASSETS)** | | 201 | 10.864.912.907,79 | 202 | 9.049.262.692,56 |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule: 2010 2227 922 |
|---|---|

## CAPITAL, RESERVES AND LIABILITIES

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **A.** | **Capital and reserves** | 1301 6 | 301 | 4.433.347,78 | 302 | 4.198.512,35 |
| I. | Subscribed capital | 1303 | 303 | 3.094.004,00 | 304 | 3.094.004,00 |
| II. | Share premium account | 1305 | 305 | | 306 | |
| III. | Revaluation reserve | 1307 | 307 | | 308 | |
| IV. | Reserves | 1309 | 309 | 748.850,17 | 310 | 779.300,17 |
| 1. | Legal reserve | 1311 | 311 | 309.400,17 | 312 | 309.400,17 |
| 2. | Reserve for own shares | 1313 | 313 | | 314 | |
| 3. | Reserves provided for by the articles of association | 1315 | 315 | | 316 | |
| 4. | Other reserves, including the fair value reserve | 1429 | 429 | 439.450,00 | 430 | 469.900,00 |
| a) | other available reserves | 1431 | 431 | | 432 | |
| b) | other non available reserves | 1433 | 433 | 439.450,00 | 434 | 469.900,00 |
| V. | Profit or loss brought forward | 1319 | 319 | 355.658,18 | 320 | 43.308,82 |
| VI. | Profit or loss for the financial year | 1321 | 321 | 234.835,43 | 322 | 281.899,36 |
| VII. | Interim dividends | 1323 | 323 | | 324 | |
| VIII. | Capital investment subsidies | 1325 | 325 | | 326 | |
| **B.** | **Provisions** | 1331 | 331 | | 332 | |
| 1. | Provisions for pensions and similar obligations | 1333 | 333 | | 334 | |
| 2. | Provisions for taxation | 1335 | 335 | | 336 | |
| 3. | Other provisions | 1337 | 337 | | 338 | |
| **C.** | **Creditors** | 1435 7 | 435 | 10.860.318.088,01 | 436 | 9.044.870.202,96 |
| 1. | Debenture loans | 1437 | 437 | | 438 | |
| a) | Convertible loans | 1439 | 439 | | 440 | |
| i) | becoming due and payable within one year | 1441 | 441 | | 442 | |
| ii) | becoming due and payable after more than one year | 1443 | 443 | | 444 | |
| b) | Non convertible loans | 1445 | 445 | | 446 | |
| i) | becoming due and payable within one year | 1447 | 447 | | 448 | |
| ii) | becoming due and payable after more than one year | 1449 | 449 | | 450 | |
| 2. | Amounts owed to credit institutions | 1355 | 355 | | 356 | |
| a) | becoming due and payable within one year | 1357 | 357 | | 358 | |
| b) | becoming due and payable after more than one year | 1359 | 359 | | 360 | |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule : 2010 2227 922 |
|---|---|

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| 3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks | 1361 | 361 | 362 |
| a) becoming due and payable within one year | 1363 | 363 | 364 |
| b) becoming due and payable after more than one year | 1365 | 365 | 366 |
| 4. Trade creditors | 1367 | 367 6.542,41 | 368 10.870,54 |
| a) becoming due and payable within one year | 1369 | 369 6.542,41 | 370 10.870,54 |
| b) becoming due and payable after more than one year | 1371 | 371 | 372 |
| 5. Bills of exchange payable | 1373 | 373 | 374 |
| a) becoming due and payable within one year | 1375 | 375 | 376 |
| b) becoming due and payable after more than one year | 1377 | 377 | 378 |
| 6. Amounts owed to affiliated undertakings | 1379 | 379 | 380 |
| a) becoming due and payable within one year | 1381 | 381 | 382 |
| b) becoming due and payable after more than one year | 1383 | 383 | 384 |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests | 1385 | 385 | 386 |
| a) becoming due and payable within one year | 1387 | 387 | 388 |
| b) becoming due and payable after more than one year | 1389 | 389 | 390 |
| 8. Other creditors | 1451 | 451 10.860.311.545,60 | 452 9.044.859.332,42 |
| a) Tax authorities | 1393 | 393 175.560,29 | 394 184.759,99 |
| b) Social security authorities | 1395 | 395 12.921,42 | 396 11.386,15 |
| c) Other creditors | 1397 | 397 10.860.123.063,89 | 398 9.044.663.186,28 |
| i) becoming due and payable within one year | 1399 | 399 2.268.462.705,11 | 400 1.769.761.234,65 |
| ii) becoming due and payable after more than one year | 1401 | 401 8.591.660.358,78 | 402 7.274.901.951,63 |
| **D. Deferred income** | 1403 | 403 161.472,00 | 404 193.977,25 |
| **TOTAL (CAPITAL, RESERVES AND LIABILITIES)** | | 405 10.864.912.907,79 | 406 9.049.262.692,56 |

The notes in the annex form an integral part of the annual accounts

With respect to the creditors and especially the breakdown between other creditors becoming due and payable within one year and after more than one year, please refer to note 2 to the accounts.

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

**PROFIT AND LOSS ACCOUNT**

For the year ended December 31, 2022

(expressed in EUR)

**Annual Accounts Helpdesk :**

**Tel. : (+352) 247 88 494**
**Email : centralebilans@statec.etat.lu**

RCSL Nr. : B156767 | Matricule : 2010 2227 922

eCDF entry date :

# PROFIT AND LOSS ACCOUNT

**Financial year from** 01 01/01/2022 **to** 02 31/12/2022 (in 03 EUR )

Belfius Financing Company

20, Rue de l'Industrie
L-8399 Windhof

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| **1. Net turnover** | 1701 | 701 | 702 |
| **2. Variation in stocks of finished goods and in work in progress** | 1703 | 703 | 704 |
| **3. Work performed by the undertaking for its own purposes and capitalised** | 1705 | 705 | 706 |
| **4. Other operating income** | 1713 | 713 2.527,58 | 714 2.935,29 |
| **5. Raw materials and consumables and other external expenses** | 1671 8 | 671 -720.212,60 | 672 -690.953,86 |
| a) Raw materials and consumables | 1601 | 601 | 602 |
| b) Other external expenses | 1603 | 603 -720.212,60 | 604 -690.953,86 |
| **6. Staff costs** | 1605 9 | 605 -374.487,00 | 606 -352.387,98 |
| a) Wages and salaries | 1607 | 607 -316.270,40 | 608 -296.982,11 |
| b) Social security costs | 1609 | 609 -40.641,23 | 610 -37.110,66 |
| i) relating to pensions | 1653 | 653 -24.515,33 | 654 -23.442,79 |
| ii) other social security costs | 1655 | 655 -16.125,90 | 656 -13.667,87 |
| c) Other staff costs | 1613 | 613 -17.575,37 | 614 -18.295,21 |
| **7. Value adjustments** | 1657 | 657 -2.721,60 | 658 -3.031,96 |
| a) in respect of formation expenses and of tangible and intangible fixed assets | 1659 | 659 -2.721,60 | 660 -3.031,96 |
| b) in respect of current assets | 1661 | 661 | 662 |
| **8. Other operating expenses** | 1621 10 | 621 -18.530,87 | 622 -19.530,68 |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule : 2010 2227 922 |
|---|---|

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| **9. Income from participating interests** | 1715 | 715 | 716 |
| a) derived from affiliated undertakings | 1717 | 717 | 718 |
| b) other income from participating interests | 1719 | 719 | 720 |
| **10. Income from other investments and loans forming part of the fixed assets** | 1721 | 721 | 722 |
| a) derived from affiliated undertakings | 1723 | 723 | 724 |
| b) other income not included under a) | 1725 | 725 | 726 |
| **11. Other interest receivable and similar income** | 1727 11 | 727 107.514.699,75 | 728 162.251.790,46 |
| a) derived from affiliated undertakings | 1729 | 729 107.514.290,71 | 730 162.246.893,83 |
| b) other interest and similar income | 1731 | 731 409,04 | 732 4.896,63 |
| **12. Share of profit or loss of undertakings accounted for under the equity method** | 1663 | 663 | 664 |
| **13. Value adjustments in respect of financial assets and of investments held as current assets** | 1665 | 665 | 666 |
| **14. Interest payable and similar expenses** | 1627 12 | 627 -106.074.006,44 | 628 -160.796.528,99 |
| a) concerning affiliated undertakings | 1629 | 629 | 630 |
| b) other interest and similar expenses | 1631 | 631 -106.074.006,44 | 632 -160.796.528,99 |
| **15. Tax on profit or loss** | 1635 13 | 635 -92.433,39 | 636 -110.392,92 |
| **16. Profit or loss after taxation** | 1667 | 667 234.835,43 | 668 281.899,36 |
| **17. Other taxes not shown under items 1 to 16** | 1637 | 637 | 638 |
| **18. Profit or loss for the financial year** | 1669 | 669 234.835,43 | 670 281.899,36 |

The notes in the annex form an integral part of the annual accounts

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

# NOTES TO THE ACCOUNTS

As at December 31, 2022

(expressed in EUR)

# NOTE 1 - GENERAL

Belfius Financing Company S.A. (the “Company”) was incorporated in Luxembourg on 29 October 2010 and is organized as “Société Anonyme” for an unlimited period. The Company is a wholly-owned subsidiary of Belfius Bank S.A./N.V..

Belfius Financing Company S.A. falls under the requirements of Luxembourg rules and regulations applicable to commercial companies under the law of 10 August 1915 as well as the Companies Register Act.

As the Company no longer has any transferable listed security admitted to trading on a regulated market in the Union and especially on the Luxembourg Stock Exchange since November 2022, the Company no longer falls within the scope of the law of January 11th, 2008, on transparency requirements for issuers (the "Transparency Act") and the provisions of this law do not apply to the Company anymore.

The current debt issuance programmes of the Company are:

a) *Long Term: Notes Issuance Programme (NIP)*

The limit of the Notes Issuance Programme amounts to EUR 20.000.000.000. The debt securities issued under this program are guaranteed by Belfius Bank S.A./N.V.. Notes may be issued on a preferred senior basis. The Notes are not listed and are governed by Belgian law and are mainly placed with retail investors.

b) *Short Term: Euro-Commercial Paper Programme (ECP)*

The Euro-Commercial Paper Programme amounts to maximum EUR 10.000.000.000. These debt securities issued under this programme are not listed and are guaranteed by Belfius Bank S.A./N.V. and have a minimum maturity of one day and a maximum maturity of 364 days.

According to Article 4 of its restated articles of association, the purpose of the Company is: "(a) to hold shareholdings and stakes, in any form whatsoever, in any commercial, industrial, financial or other Luxembourg or foreign company or undertakings, as well as to manage and optimize these stakes, (b) to acquire by way of participations, contributions, guarantees, acquisitions or options, negotiation or any other means, securities, rights, patents, licenses and other assets, provided the Company considers it appropriate to do so, and in general to hold, manage, optimize, sell or transfer the aforementioned, in whole or in part; (c) to take part in commercial, financial or other transactions and to grant to any holding company, subsidiary, associated or affiliated company or any other company belonging to the same corporate group as the Company any financial assistance, loan, advance or guarantee; (d) to borrow, raise funds by any means whatsoever (including without limitation the issuance of preferred equity certificates (PECs) (nonconvertible or convertible into shares), loans, bonds, acknowledgements of debt and any other form of debt or type of instrument) and to ensure the reimbursement of any borrowed amount; to perform all operations directly or indirectly related to this purpose.

The Company may grant pledges, guarantees, liens, mortgages and any other type of security (surety), as well as any form of compensation, to Luxembourg or foreign entity (ies) in relation to its own obligations and debts, or in relation to the obligations and debts of subsidiaries, associated or affiliated companies or any company belonging to the same corporate group.

The Company may acquire immovable property located abroad or in Luxembourg.

# NOTE 1 – GENERAL (CONTINUED)

The Company may moreover perform any commercial, technical or financial transactions, involving movable or immovable property, which are directly or indirectly related to the abovementioned purpose."

The Company is registered with the Luxembourg Register of Commerce and Companies under number B 156 767.

The financial year of the Company runs from January 1 until December 31 of each year.

The Company is not required to draw up consolidated accounts in accordance with Article 1711-1 of the commercial Law of August 10, 1915, as amended.

Its registered office is established in the municipality of Koerich, at 20, rue de l'Industrie, L-8399 Windhof, Grand-Duchy of Luxembourg.

The Company's annual accounts are included in the consolidated accounts of Belfius Bank S.A./N.V., incorporated under the Law of Belgium. These can be obtained from Belfius Bank S.A./N.V., Place Charles Rogier 11, B-1210 Brussels, Belgium.

# NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**General principles**

These annual accounts are prepared in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg and on a going concern basis.

As at December 31, 2022, the annual accounts and notes to the accounts are presented under a maturity breakdown of other creditors as well as investments regarding accrued interest. In order to ensure adequate comparability across financial years, the breakdown of other creditors and investments of the financial year ended December 31, 2021 have been adapted consequently.

Translation of currencies

The Company maintains its accounting records in euro (EUR) and the annual accounts are prepared in this currency.

Assets and liabilities denominated in currencies other than EUR are translated at rates of exchange applicable at the balance sheet date. Transactions denominated in other currencies are translated at the approximate rates applicable at the time of the transactions. Exchange gains and losses are credited or charged to the profit and loss account. This, as well, applies to all current assets and liabilities considering the intrinsic economic link between these positions.

Tangible assets

Office Equipment is carried at its acquisition cost less any accumulated depreciation and any accumulated impairment losses. Office equipment is depreciated on a reducing balance basis over a period of 9 years.

IT materials are amortized linearly on a period of 5 years.

# NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debtors

Loans defined as debtors are stated in the balance sheet at their acquisition value. The carrying value of the loans includes the interest accrued. Incidental costs related to new loans are expensed in the financial year in which they are incurred.

Other debtors and receivables are stated at nominal value which includes interest which is due or accrued.

They are subject to value adjustments where their recovery is compromised or in case of durable depreciation in value according to the opinion of the Board of Directors.

Investments

Bonds are stated in the balance sheet at their acquisition value determined according to the principle of the individualized price or the average acquisition price. Incidental costs related are expensed in the financial period in which they are incurred.

The carrying value of the bonds includes the interest accrued.

The bonds do not expose the Company to market risk and therefore, value adjustments are made in respect of these investments in case of durable depreciation in value according to the opinion of the Board of Directors.

Provisions

At the end of each period, provisions are recorded to cover all foreseeable liabilities and charges related to events which occurred before period end.

Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

Creditors

Amounts payable represented by promissory notes are stated at their net proceeds corresponding to the repayment value. The carrying value includes the interests which are due or accrued.

Amounts payable represented by promissory notes for which the repayment value differs from the issue price are stated at their reimbursement value considering the application of the following rule: the positive difference (premium) or negative difference (discount) between the issue price and the reimbursement price is amortized over the period between issue date and maturity date.

Other interest receivable and similar income

Other interest receivable and similar income are recognised on an accrual basis.

Interest payable and similar expenses

Interest payable and similar expenses are recognised on the accrual basis.

Taxes

Taxes are accounted for on an accrual basis.

# NOTE 3 - TANGIBLE ASSETS

This caption includes costs in relation with the acquisition of Office Equipment and IT materials. Office Equipment are depreciated over a period of nine years and on a reducing balance basis while IT materials are depreciated linearly on a period of five years.

| | Cost | Amortization | Net book value |
|---|---|---|---|
| | EUR | EUR | EUR |
| Office Equipment | 10.345 | 5.759 | 4.586 |
| IT Materials | 7.918 | 4.117 | 3.801 |
| | **18.263** | **9.876** | **8.387** |

# NOTE 4 - DEBTORS

As at December 31, 2022, the debtors are mainly composed of a debtor with Belfius Bank in relation to prescribed bearer securities (EUR 5.877.464) and for which Belfius Bank has the role of Paying Agent. Debtors also include a receivable for matured coupons receivable in relation with the NIP programme (EUR 983.475) and prepayments made to the Tax Authorities (EUR 110.386).

The carrying value of the debtors is as follows:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Within one year | 6.971.325 | 164.510 |
| After one year and within five years | - | - |
| More than five years | - | - |
| **TOTAL** | **6.971.325** | **164.510** |

In the opinion of the Board of Directors, no durable depreciations exist to justify a value adjustment on the debtors.

# NOTE 5 - INVESTMENTS

As at December 31, 2022, investments consist of bonds issued by Belfius Bank S.A./N.V. which are repayable at nominal value.

The carrying value of the investments includes the related accrued interest and is as follows:

| | 2022<br>EUR | 2021<br>EUR |
|---|---|---|
| Within one year | 2.300.126.403 | 1.800.095.899 |
| After one year and within five years | 6.457.795.305 | 4.369.167.907 |
| More than five years | 2.096.123.000 | 2.876.118.887 |
| **TOTAL** | **10.854.044.708** | **9.045.382.693** |

In connection with the above breakdown of investments, refer to note 2 to the accounts.

In the opinion of the Board of Directors, no durable depreciations exist to justify a value adjustment on the bonds.

# NOTE 6 - CAPITAL AND RESERVES

The movements in capital and reserves during the year were as follows:

| | Subscribed capital<br>EUR | Legal reserve<br>EUR | Other reserves<br>EUR | Profit brought forward<br>EUR | Profit for the financial year<br>EUR |
|---|---|---|---|---|---|
| Balance as at January 1, 2022 | **3.094.004** | **309.400** | **469.900** | **43.309** | **281.899** |
| Allocation of prior year result | - | - | (30.450) | 312.349 | (281.899) |
| Dividend paid | - | - | - | - | - |
| Result for the year | - | - | - | - | 234.835 |
| **Balance as at December 31, 2022** | **3.094.004** | **309.400** | **439.450** | **355.658** | **234.835** |

**Subscribed capital and results brought forward**

As at December 31, 2022, the share capital of the Company amounts to EUR 3.094.004, fully subscribed and paid up to the extent of the aggregate amount of EUR 2.113.004, represented by 251 shares without par value, held by its Sole Shareholder, Belfius Bank S.A./N.V..

**Legal reserve**

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net gain for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital and this threshold was reached in 2021. The legal reserve is not available for distribution to the Sole Shareholder.

# NOTE 6 - CAPITAL AND RESERVES (CONTINUED)

**Other reserves**

For the year ended December 31, 2022, the Company reduced its wealth tax liability in accordance with tax legislation by setting up a special reserve (classified under “reserves”) in an amount equal to five times the amount of the payable wealth tax.

This reserve shall be maintained during the period of five years from the year following that during which the wealth tax was reduced.

As at December 31, 2022, the Company has allocated the amount of EUR 80.425 to the net wealth tax reserve and released an amount of EUR 110.875.

# NOTE 7 - CREDITORS

As at December 31, 2022, creditors are mainly composed of long-term debts in relation with the NIP programme and of short-term debts in relation with the ECP programme fully and irrevocably guaranteed by Belfius Bank S.A./N.V.. Reference is made to note 12 in relation to the interest payable and similar expenses.

The Creditors, due and payable within one year, also include prescribed bearer securities (EUR 5.877.464), trade creditors (EUR 6.542) and tax and social security debts (EUR 188.482).

The carrying value of creditors includes the related accrued interest is as follows:

| | 2022<br>EUR | 2021<br>EUR |
|---|---|---|
| Within one year | 2.268.657.729 | 1.769.968.251 |
| After one year and within five years | 6.486.134.919 | 4.392.501.046 |
| More than five years | 2.105.525.440 | 2.882.400.906 |
| **TOTAL** | **10.860.318.088** | **9.044.870.203** |

In connection with the above breakdown of other creditors, refer to note 2 to the accounts.

The movements on debts occurring during the year ended December 31, 2022 are mainly attributable to new issues made under the ECP and NIP programmes net of repayments during the year.

# NOTE 8 – OTHER EXTERNAL EXPENSES

As at December 31, 2022, other external expenses are composed as follows:

| | 2022<br>EUR | 2021<br>EUR |
|---|---|---|
| Occupancy fees | 28.527 | 26.448 |
| Financial leasing | 21.212 | - |
| Service providers | | |
| Accounting / administrative fees | 195.376 | 247.940 |
| Technology & system fees | 161.215 | 126.670 |
| Legal & tax fees | 93.708 | 72.601 |
| External statutory audit fees | 34.382 | 34.030 |
| Rating agencies fees | 110.448 | 103.779 |
| Professional associations costs | 19.345 | 17.432 |
| Training fees | 3.810 | 6.205 |
| Bank fees & assimilated | 34.324 | 44.183 |
| Other fees | 17.866 | 11.666 |
| **TOTAL** | **720.213** | **690.954** |

# NOTE 9 - EMPLOYEES

The Company has employed 4 people during the financial year (2021: 4 people).

# NOTE 10 - EMOLUMENTS, ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGERIAL AND SUPERVISORY BODIES

The Company granted Directors' fees of EUR 18.530 (2021: EUR 19.530) in total to the independent members of the Board of Directors for the services rendered during the year.

# NOTE 11 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable and similar income are composed as follows:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Interest income and similar income concerning affiliated undertakings *(bonds in relation with ECP programme)* | 4.249.871 | (222.862) |
| Interest income and similar income concerning affiliated undertakings *(loans and bonds in relation with NIP programme)* | 103.264.420 | 162.469.756 |
| Other financial income | 409 | 4.896 |
| **TOTAL** | **107.514.700** | **162.251.790** |

In 2021, EUR denominated Commercial Papers issues have been done with a premium (instead of a discount for USD & GBP currencies) due to negative yields.
This implicates that interest incomes/charges for EUR Denominated Commercial Papers must be booked with a negative sign (minus).

# NOTE 12 - INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses are composed as follows:

| | 2022 | 2021 |
|---|---|---|
| | EUR | EUR |
| Interest payable and similar expenses on notes payable *(ECP program)* | 4.149.569 | (295.302) |
| Interest payable and similar expenses on notes payable *(NIP program)* | 101.922.616 | 161.091.831 |
| Exchange losses | 1.821 | - |
| **TOTAL** | **106.074.006** | **160.796.529** |

In 2021, EUR denominated Commercial Papers issues have been done with a premium (instead of a discount for USD & GBP currencies) due to negative yields.

# NOTE 12 - INTEREST PAYABLE AND SIMILAR EXPENSES (CONTINUED)

This implicates that interest incomes/charges for EUR Denominated Commercial Papers must be booked with a negative sign (minus).

# NOTE 13 - TAXATION

The Company is subject to the common tax law applicable to Luxembourg commercial companies.

# NOTE 14 - FEES TO THE RÉVISEUR D'ENTREPRISES AGRÉÉ

The fees to the *Réviseur d'Entreprises Agréé* accounted for the year ended December 31, 2022 are equal to the amount to EUR 34.382 inclusive of VAT (2021: EUR 34.030), all of which relate to the audit of the statutory annual accounts. The fees to the *Réviseur d'Entreprises Agréé* are included within the other operating expenses in the Profit and Loss Account.

# NOTE 15 - CONFLICT BETWEEN RUSSIA AND UKRAINE

The Geopolitical risks rose significantly with the Russia-Ukraine conflict that started at the end of February 2022. The Company is closely monitoring the situation and its direct and indirect impacts and to date there is no direct or indirect exposure to Russian, Ukrainian and Belarus counterparties. As at the date of the annual accounts, no material increase of credit risk has been observed, but it cannot be excluded that this will change in the future. Also, it is impossible to fully estimate the impact of the conflict on the Company. The ongoing uncertainty has and may continue to adversely affect the economy and Company's business, results of operations, financial, condition and prospects.

# NOTE 16 - SUBSEQUENT EVENTS

There have been no material subsequent events which would require disclosure in the Company's annual accounts as at December 31, 2022.

# BELFIUS FINANCING COMPANY S.A.
# SOCIETE ANONYME

Annual accounts and Report of the Réviseur d'entreprises agréé

as at December 31, 2023

20, rue de l'Industrie

L-8399 Windhof

**R.C.S. Luxembourg: B 156767**

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To the Shareholders of
Belfius Financing Company S.A.
20, rue de l'industrie
L-8399 Windhof
Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### *Report on the audit of the annual accounts*

### *Opinion*

We have audited the annual accounts of Belfius Financing Company S.A. (the "Company"), which comprise the balance sheet as at 31 December 2023, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2023 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

### *Basis for opinion*

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of the Board of Directors for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### *Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts*

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, 14 March 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

S. Smets

Partner

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

**BALANCE SHEET**

As at December 31, 2023

(expressed in EUR)

**Annual Accounts Helpdesk :**

**Tel. : (+352) 247 88 494**
**Email : centralebilans@statec.etat.lu**

| RCSL Nr. : B156767 | Matricule : 2010 2227 922 |
|---|---|
| | eCDF entry date : |

# BALANCE SHEET

**Financial year from** 01 01/01/2023 **to** 02 31/12/2023 *(in* 03 EUR *)*

Belfius Financing Company

20, Rue de l'Industrie
L-8399 Windhof

## ASSETS

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| **A. Subscribed capital unpaid** | 1101 6 | 101 981.000,00 | 102 981.000,00 |
| I. Subscribed capital not called | 1103 | 103 981.000,00 | 104 981.000,00 |
| II. Subscribed capital called but unpaid | 1105 | 105 | 106 |
| **B. Formation expenses** | 1107 | 107 | 108 |
| **C. Fixed assets** | 1109 3 | 109 5.769,59 | 110 8.387,75 |
| I. Intangible assets | 1111 | 111 | 112 |
| 1. Costs of development | 1113 | 113 | 114 |
| 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were | 1115 | 115 | 116 |
| a) acquired for valuable consideration and need not be shown under C.I.3 | 1117 | 117 | 118 |
| b) created by the undertaking itself | 1119 | 119 | 120 |
| 3. Goodwill, to the extent that it was acquired for valuable consideration | 1121 | 121 | 122 |
| 4. Payments on account and intangible assets under development | 1123 | 123 | 124 |
| II. Tangible assets | 1125 | 125 5.769,59 | 126 8.387,75 |
| 1. Land and buildings | 1127 | 127 | 128 |
| 2. Plant and machinery | 1129 | 129 | 130 |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule : 2010 2227 922 |
|---|---|

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| 3. | Other fixtures and fittings, tools and equipment | 1131 | 131 | 5.769,59 | 132 | 8.387,75 |
| 4. | Payments on account and tangible assets in the course of construction | 1133 | 133 | | 134 | |
| III. | Financial assets | 1135 | 135 | | 136 | |
| 1. | Shares in affiliated undertakings | 1137 | 137 | | 138 | |
| 2. | Loans to affiliated undertakings | 1139 | 139 | | 140 | |
| 3. | Participating interests | 1141 | 141 | | 142 | |
| 4. | Loans to undertakings with which the undertaking is linked by virtue of participating interests | 1143 | 143 | | 144 | |
| 5. | Investments held as fixed assets | 1145 | 145 | | 146 | |
| 6. | Other loans | 1147 | 147 | | 148 | |
| **D.** | **Current assets** | 1151 | 151 | 12.810.605.862,56 | 152 | 10.863.912.968,91 |
| I. | Stocks | 1153 | 153 | | 154 | |
| 1. | Raw materials and consumables | 1155 | 155 | | 156 | |
| 2. | Work in progress | 1157 | 157 | | 158 | |
| 3. | Finished goods and goods for resale | 1159 | 159 | | 160 | |
| 4. | Payments on account | 1161 | 161 | | 162 | |
| II. | Debtors | 1163 4 | 163 | 54.537.370,94 | 164 | 6.971.324,97 |
| 1. | Trade debtors | 1165 | 165 | | 166 | |
| a) | becoming due and payable within one year | 1167 | 167 | | 168 | |
| b) | becoming due and payable after more than one year | 1169 | 169 | | 170 | |
| 2. | Amounts owed by affiliated undertakings | 1171 | 171 | 54.444.778,94 | 172 | 6.860.938,97 |
| a) | becoming due and payable within one year | 1173 | 173 | 54.064.476,79 | 174 | 6.860.938,97 |
| b) | becoming due and payable after more than one year | 1175 | 175 | 380.302,15 | 176 | |
| 3. | Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1177 | 177 | | 178 | |
| a) | becoming due and payable within one year | 1179 | 179 | | 180 | |
| b) | becoming due and payable after more than one year | 1181 | 181 | | 182 | |
| 4. | Other debtors | 1183 | 183 | 92.592,00 | 184 | 110.386,00 |
| a) | becoming due and payable within one year | 1185 | 185 | 92.592,00 | 186 | 110.386,00 |
| b) | becoming due and payable after more than one year | 1187 | 187 | 0,00 | 188 | |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr. : B156767 | Matricule : 2010 2227 922 |
|---|---|

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| III. | Investments | 1189 5 | 189 | 12.752.856.619,66 | 190 | 10.854.044.707,72 |
| | 1. Shares in affiliated undertakings | 1191 | 191 | | 192 | |
| | 2. Own shares | 1209 | 209 | | 210 | |
| | 3. Other investments | 1195 | 195 | 12.752.856.619,66 | 196 | 10.854.044.707,72 |
| IV. | Cash at bank and in hand | 1197 | 197 | 3.211.871,96 | 198 | 2.896.936,22 |
| **E.** | **Prepayments** | 1199 | 199 | 7.693,14 | 200 | 10.551,13 |
| | **TOTAL (ASSETS)** | | 201 | 12.811.600.325,29 | 202 | 10.864.912.907,79 |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule : 2010 2227 922 |
|---|---|

## CAPITAL, RESERVES AND LIABILITIES

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| **A. Capital and reserves** | 1301 6 | 301 4.689.662,87 | 302 4.433.347,78 |
| I. Subscribed capital | 1303 | 303 3.094.004,00 | 304 3.094.004,00 |
| II. Share premium account | 1305 | 305 | 306 |
| III. Revaluation reserve | 1307 | 307 | 308 |
| IV. Reserves | 1309 | 309 745.425,17 | 310 748.850,17 |
| 1. Legal reserve | 1311 | 311 309.400,17 | 312 309.400,17 |
| 2. Reserve for own shares | 1313 | 313 | 314 |
| 3. Reserves provided for by the articles of association | 1315 | 315 | 316 |
| 4. Other reserves, including the fair value reserve | 1429 | 429 436.025,00 | 430 439.450,00 |
| a) other available reserves | 1431 | 431 | 432 |
| b) other non available reserves | 1433 | 433 436.025,00 | 434 439.450,00 |
| V. Profit or loss brought forward | 1319 | 319 338.918,61 | 320 355.658,18 |
| VI. Profit or loss for the financial year | 1321 | 321 511.315,09 | 322 234.835,43 |
| VII. Interim dividends | 1323 | 323 | 324 |
| VIII. Capital investment subsidies | 1325 | 325 | 326 |
| **B. Provisions** | 1331 | 331 | 332 |
| 1. Provisions for pensions and similar obligations | 1333 | 333 | 334 |
| 2. Provisions for taxation | 1335 | 335 | 336 |
| 3. Other provisions | 1337 | 337 | 338 |
| **C. Creditors** | 1435 7 | 435 12.806.687.429,92 | 436 10.860.318.088,01 |
| 1. Debenture loans | 1437 | 437 | 438 |
| a) Convertible loans | 1439 | 439 | 440 |
| i) becoming due and payable within one year | 1441 | 441 | 442 |
| ii) becoming due and payable after more than one year | 1443 | 443 | 444 |
| b) Non convertible loans | 1445 | 445 | 446 |
| i) becoming due and payable within one year | 1447 | 447 | 448 |
| ii) becoming due and payable after more than one year | 1449 | 449 | 450 |
| 2. Amounts owed to credit institutions | 1355 | 355 | 356 |
| a) becoming due and payable within one year | 1357 | 357 | 358 |
| b) becoming due and payable after more than one year | 1359 | 359 | 360 |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule : 2010 2227 922 |
|---|---|

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| 3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks | 1361 | 361 | 362 |
| a) becoming due and payable within one year | 1363 | 363 | 364 |
| b) becoming due and payable after more than one year | 1365 | 365 | 366 |
| 4. Trade creditors | 1367 | 367 31.425,73 | 368 6.542,41 |
| a) becoming due and payable within one year | 1369 | 369 31.425,73 | 370 6.542,41 |
| b) becoming due and payable after more than one year | 1371 | 371 | 372 |
| 5. Bills of exchange payable | 1373 | 373 | 374 |
| a) becoming due and payable within one year | 1375 | 375 | 376 |
| b) becoming due and payable after more than one year | 1377 | 377 | 378 |
| 6. Amounts owed to affiliated undertakings | 1379 | 379 | 380 |
| a) becoming due and payable within one year | 1381 | 381 | 382 |
| b) becoming due and payable after more than one year | 1383 | 383 | 384 |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests | 1385 | 385 | 386 |
| a) becoming due and payable within one year | 1387 | 387 | 388 |
| b) becoming due and payable after more than one year | 1389 | 389 | 390 |
| 8. Other creditors | 1451 | 451 12.806.656.004,19 | 452 10.860.311.545,60 |
| a) Tax authorities | 1393 | 393 276.027,83 | 394 175.560,29 |
| b) Social security authorities | 1395 | 395 16.661,61 | 396 12.921,42 |
| c) Other creditors | 1397 | 397 12.806.363.314,75 | 398 10.860.123.063,89 |
| i) becoming due and payable within one year | 1399 | 399 1.946.711.103,96 | 400 2.268.082.402,74 |
| ii) becoming due and payable after more than one year | 1401 | 401 10.859.652.210,79 | 402 8.592.040.661,15 |
| **D. Deferred income** | 1403 | 403 223.232,50 | 404 161.472,00 |
| **TOTAL (CAPITAL, RESERVES AND LIABILITIES)** | | 405 12.811.600.325,29 | 406 10.864.912.907,79 |

The notes in the annex form an integral part of the annual accounts

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

**PROFIT AND LOSS ACCOUNT**

For the year ended December 31, 2023

(expressed in EUR)

**Annual Accounts Helpdesk :**

**Tel. : (+352) 247 88 494**
**Email : centralebilans@statec.etat.lu**

RCSL Nr. : B156767 | Matricule : 2010 2227 922

eCDF entry date :

# PROFIT AND LOSS ACCOUNT

**Financial year from** 01 01/01/2023 **to** 02 31/12/2023 *(in* 03 EUR *)*

Belfius Financing Company

20, Rue de l'Industrie
L-8399 Windhof

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| **1. Net turnover** | 1701 | 701 | 702 |
| **2. Variation in stocks of finished goods and in work in progress** | 1703 | 703 | 704 |
| **3. Work performed by the undertaking for its own purposes and capitalised** | 1705 | 705 | 706 |
| **4. Other operating income** | 1713 | 713 1.863,57 | 714 2.527,58 |
| **5. Raw materials and consumables and other external expenses** | 1671 8 | 671 -779.768,60 | 672 -720.212,60 |
| a) Raw materials and consumables | 1601 | 601 | 602 |
| b) Other external expenses | 1603 | 603 -779.768,60 | 604 -720.212,60 |
| **6. Staff costs** | 1605 9 | 605 -332.752,54 | 606 -374.487,00 |
| a) Wages and salaries | 1607 | 607 -277.882,08 | 608 -316.270,40 |
| b) Social security costs | 1609 | 609 -36.438,38 | 610 -40.641,23 |
| i) relating to pensions | 1653 | 653 -22.078,87 | 654 -24.515,33 |
| ii) other social security costs | 1655 | 655 -14.359,51 | 656 -16.125,90 |
| c) Other staff costs | 1613 | 613 -18.432,08 | 614 -17.575,37 |
| **7. Value adjustments** | 1657 | 657 -2.618,16 | 658 -2.721,60 |
| a) in respect of formation expenses and of tangible and intangible fixed assets | 1659 | 659 -2.618,16 | 660 -2.721,60 |
| b) in respect of current assets | 1661 | 661 | 662 |
| **8. Other operating expenses** | 1621 10 | 621 -21.602,89 | 622 -18.530,87 |

The notes in the annex form an integral part of the annual accounts

| RCSL Nr.: B156767 | Matricule : 2010 2227 922 |
|---|---|

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **9. Income from participating interests** | 1715 | | 715 | | 716 | |
| a) derived from affiliated undertakings | 1717 | | 717 | | 718 | |
| b) other income from participating interests | 1719 | | 719 | | 720 | |
| **10. Income from other investments and loans forming part of the fixed assets** | 1721 | | 721 | | 722 | |
| a) derived from affiliated undertakings | 1723 | | 723 | | 724 | |
| b) other income not included under a) | 1725 | | 725 | | 726 | |
| **11. Other interest receivable and similar income** | 1727 | 11 | 727 | 201.743.794,66 | 728 | 107.514.699,75 |
| a) derived from affiliated undertakings | 1729 | | 729 | 201.702.035,31 | 730 | 107.514.290,71 |
| b) other interest and similar income | 1731 | | 731 | 41.759,35 | 732 | 409,04 |
| **12. Share of profit or loss of undertakings accounted for under the equity method** | 1663 | | 663 | | 664 | |
| **13. Value adjustments in respect of financial assets and of investments held as current assets** | 1665 | | 665 | | 666 | |
| **14. Interest payable and similar expenses** | 1627 | 12 | 627 | -199.900.770,52 | 628 | -106.074.006,44 |
| a) concerning affiliated undertakings | 1629 | | 629 | | 630 | |
| b) other interest and similar expenses | 1631 | | 631 | -199.900.770,52 | 632 | -106.074.006,44 |
| **15. Tax on profit or loss** | 1635 | 13 | 635 | -196.830,43 | 636 | -92.433,39 |
| **16. Profit or loss after taxation** | 1667 | | 667 | 511.315,09 | 668 | 234.835,43 |
| **17. Other taxes not shown under items 1 to 16** | 1637 | | 637 | | 638 | |
| **18. Profit or loss for the financial year** | 1669 | | 669 | 511.315,09 | 670 | 234.835,43 |

The notes in the annex form an integral part of the annual accounts

BELFIUS FINANCING COMPANY S.A.

Société Anonyme

**NOTES TO THE ACCOUNTS**

As at December 31, 2023

(expressed in EUR)

# NOTE 1 - GENERAL

Belfius Financing Company S.A. (the “Company”) was incorporated in Luxembourg on 29 October 2010 and is organized as “Société Anonyme” for an unlimited period. The Company is a wholly-owned subsidiary of Belfius Bank S.A./N.V..

Belfius Financing Company S.A. falls under the requirements of Luxembourg rules and regulations applicable to commercial companies under the law of 10 August 1915 as well as the Companies Register Act.

As the Company no longer has any transferable listed security admitted to trading on a regulated market in the Union and especially on the Luxembourg Stock Exchange since November 2022, the Company no longer falls within the scope of the law of January 11th, 2008, on transparency requirements for issuers (the "Transparency Act") and the provisions of this law do not apply to the Company anymore.

The current debt issuance programmes of the Company are:

*a) Long Term: Notes Issuance Programme (NIP)*

The limit of the Notes Issuance Programme amounts to EUR 20.000.000.000. The debt securities issued under this program are guaranteed by Belfius Bank S.A./N.V.. Notes may be issued on a preferred senior basis. The Notes are not listed and are governed by Belgian law and are mainly placed with retail investors.

*b) Short Term: Euro-Commercial Paper Programme (ECP)*

The Euro-Commercial Paper Programme amounts to maximum EUR 10.000.000.000. These debt securities issued under this programme are not listed and are guaranteed by Belfius Bank S.A./N.V. and have a minimum maturity of one day and a maximum maturity of 364 days.

According to Article 4 of its restated articles of association, the purpose of the Company is: "(a) to hold shareholdings and stakes, in any form whatsoever, in any commercial, industrial, financial or other Luxembourg or foreign company or undertakings, as well as to manage and optimize these stakes, (b) to acquire by way of participations, contributions, guarantees, acquisitions or options, negotiation or any other means, securities, rights, patents, licenses and other assets, provided the Company considers it appropriate to do so, and in general to hold, manage, optimize, sell or transfer the aforementioned, in whole or in part; (c) to take part in commercial, financial or other transactions and to grant to any holding company, subsidiary, associated or affiliated company or any other company belonging to the same corporate group as the Company any financial assistance, loan, advance or guarantee; (d) to borrow, raise funds by any means whatsoever (including without limitation the issuance of preferred equity certificates (PECs) (nonconvertible or convertible into shares), loans, bonds, acknowledgements of debt and any other form of debt or type of instrument) and to ensure the reimbursement of any borrowed amount; to perform all operations directly or indirectly related to this purpose.

The Company may grant pledges, guarantees, liens, mortgages and any other type of security (surety), as well as any form of compensation, to Luxembourg or foreign entity (ies) in relation to its own obligations and debts, or in relation to the obligations and debts of subsidiaries, associated or affiliated companies or any company belonging to the same corporate group.

The Company may acquire immovable property located abroad or in Luxembourg.

# NOTE 1 – GENERAL (CONTINUED)

The Company may moreover perform any commercial, technical or financial transactions, involving movable or immovable property, which are directly or indirectly related to the abovementioned purpose."

The Company is registered with the Luxembourg Register of Commerce and Companies under number B 156 767.

The financial year of the Company runs from January 1 until December 31 of each year.

The Company is not required to draw up consolidated accounts in accordance with Article 1711-1 of the commercial Law of August 10, 1915, as amended.

Its registered office is established in the municipality of Koerich, at 20, rue de l'Industrie, L-8399 Windhof, Grand-Duchy of Luxembourg.

The Company's annual accounts are included in the consolidated accounts of Belfius Bank S.A./N.V., incorporated under the Law of Belgium. These can be obtained from Belfius Bank S.A./N.V., Place Charles Rogier 11, B-1210 Brussels, Belgium.

# NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**General principles**

These annual accounts are prepared in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg and on a going concern basis.

Translation of currencies

The Company maintains its accounting records in euro (EUR) and the annual accounts are prepared in this currency.

Assets and liabilities denominated in currencies other than EUR are translated at rates of exchange applicable at the balance sheet date. Transactions denominated in other currencies are translated at the approximate rates applicable at the time of the transactions. Exchange gains and losses are credited or charged to the profit and loss account. This, as well, applies to all current assets and liabilities considering the intrinsic economic link between these positions.

Tangible assets

Office Equipment is carried at its acquisition cost less any accumulated depreciation and any accumulated impairment losses. Office equipment is depreciated on a reducing balance basis over a period of 9 years.

IT materials are amortized linearly on a period of 5 years.

# NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debtors

Loans defined as debtors are stated in the balance sheet at their acquisition value. The carrying value of the loans includes the interest accrued. Incidental costs related to new loans are expensed in the financial year in which they are incurred.

Other debtors and receivables are stated at nominal value which includes interest which is due or accrued.

They are subject to value adjustments where their recovery is compromised or in case of durable depreciation in value according to the opinion of the Board of Directors.

Investments

Bonds are stated in the balance sheet at their acquisition value determined according to the principle of the individualized price or the average acquisition price. Incidental costs related are expensed in the financial period in which they are incurred.

The carrying value of the bonds includes the interest accrued.

The bonds do not expose the Company to market risk and therefore, value adjustments are made in respect of these investments in case of durable depreciation in value according to the opinion of the Board of Directors.

Provisions

At the end of each period, provisions are recorded to cover all foreseeable liabilities and charges related to events which occurred before period end.

Provisions relating to previous periods are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

Creditors

Amounts payable represented by promissory notes are stated at their net proceeds corresponding to the repayment value. The carrying value includes the interests which are due or accrued.

Amounts payable represented by promissory notes for which the repayment value differs from the issue price are stated at their reimbursement value considering the application of the following rule: the positive difference (premium) or negative difference (discount) between the issue price and the reimbursement price is amortized over the period between issue date and maturity date.

Other interest receivable and similar income

Other interest receivable and similar income are recognised on an accrual basis.

Interest payable and similar expenses

Interest payable and similar expenses are recognised on the accrual basis.

Taxes

Taxes are accounted for on an accrual basis.

# NOTE 3 - TANGIBLE ASSETS

This caption includes costs in relation with the acquisition of Office Equipment and IT materials. Office Equipment are depreciated over a period of nine years and on a reducing balance basis while IT materials are depreciated linearly on a period of five years.

| | Cost | Amortization | Net book value |
|---|---|---|---|
| | EUR | EUR | EUR |
| Office Equipment | 10.345 | 6.793 | 3.552 |
| IT Materials | 7.918 | 5.700 | 2.218 |
| | **18.263** | **12.493** | **5.770** |

# NOTE 4 - DEBTORS

As of December 31, 2023, the main debtors include matured intercompany bonds from Belfius Bank amounting to EUR 47.406.000 at nominal value (2022: EUR 0), and matured coupons amounting to EUR 1.178.914 (2022: EUR 983.475) both related to the NIP program. A reference is made to note 11 for details regarding interest income owed by affiliated undertakings. Debtors also include a receivable from Belfius Bank concerning prescribed bearer securities, amounting to EUR 5.859.864 (2022: EUR 5.877.464), where Belfius Bank acts as the Paying Agent and prepayments made to the Tax Authorities amounting to EUR 92.592 (2022: EUR 110.386).

The carrying value of the debtors is as follows:

| | 2023 | 2022 |
|---|---|---|
| | EUR | EUR |
| Within one year | 54.157.069 | 6.971.325 |
| After one year and within five years | 380.302 | - |
| More than five years | - | - |
| **TOTAL** | **54.537.371** | **6.971.325** |

In the opinion of the Board of Directors, no durable depreciations exist to justify a value adjustment on the debtors.

# NOTE 5 - INVESTMENTS

As at December 31, 2023, investments consist of bonds issued by Belfius Bank S.A./N.V. which are repayable at nominal value.

The carrying value of the investments includes the related accrued interest and is as follows:

| | 2023<br>EUR | 2022<br>EUR |
|---|---|---|
| Within one year | 1.940.135.042 | 2.300.126.403 |
| After one year and within five years | 9.424.147.578 | 6.457.795.305 |
| More than five years | 1.388.574.000 | 2.096.123.000 |
| **TOTAL** | **12.752.856.620** | **10.854.044.708** |

In the opinion of the Board of Directors, no durable depreciations exist to justify a value adjustment on the bonds.

# NOTE 6 - CAPITAL AND RESERVES

The movements in capital and reserves during the year were as follows:

| | Subscribed capital<br>EUR | Legal reserve<br>EUR | Other reserves<br>EUR | Profit brought forward<br>EUR | Profit for the financial year<br>EUR |
|---|---|---|---|---|---|
| Balance as at January 1, 2023 | **3.094.004** | **309.400** | **439.450** | **355.658** | **234.835** |
| Allocation of prior year result | - | - | (3.425) | 238.261 | (234.835) |
| Dividend paid | - | - | - | (255.000) | - |
| Result for the year | - | - | - | - | 511.315 |
| **Balance as at December 31, 2023** | **3.094.004** | **309.400** | **436.025** | **338.919** | **511.315** |

**Subscribed capital and results brought forward**

As at December 31, 2023, the share capital of the Company amounts to EUR 3.094.004, fully subscribed and paid up to the extent of the aggregate amount of EUR 2.113.004, represented by 251 shares without par value, held by its Sole Shareholder, Belfius Bank S.A./N.V..

Following the Annual General Meeting held on March 15, 2023, a dividend of EUR 255.000 was approved for distribution and subsequently paid out. The dividend payout is based on the audited financial statements of 2022.

# NOTE 6 - CAPITAL AND RESERVES (CONTINUED)

**Legal reserve**

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net gain for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital and this threshold was reached in 2021. The legal reserve is not available for distribution to the Sole Shareholder.

**Other reserves**

For the year ended December 31, 2023, the Company reduced its wealth tax liability in accordance with tax legislation by setting up a special reserve (classified under "reserves") in an amount equal to five times the amount of the payable wealth tax.

This reserve shall be maintained during the period of five years from the year following that during which the wealth tax was reduced.

As at December 31, 2023, the Company has allocated the amount of EUR 86.300 to the net wealth tax reserve and released an amount of EUR 89.725.

# NOTE 7 - CREDITORS

As at December 31, 2023, creditors are mainly composed of long-term debts in relation with the NIP programme and of short-term debts in relation with the ECP programme fully and irrevocably guaranteed by Belfius Bank S.A./N.V., amounting to EUR 12.800.503.450 (2022: 10.854.245.600). Reference is made to note 12 in relation to the interest payable and similar expenses.

Additionally, the creditors include prescribed bearer securities amounting to EUR 5.859.864 (2022: 5.877.464) with a revised breakdown for the year 2022, trade creditors amounting to EUR 31.426 (2022: 6.542) and tax and social security debts amounting to EUR 292.689 (2022: 188.482).

The carrying value of creditors includes the related accrued interest and is as follows:

| | 2023<br>EUR | 2022<br>EUR |
|---|---|---|
| Within one year | 1.947.035.219 | 2.268.277.427 |
| After one year and within five years | 9.462.987.543 | 6.486.515.221 |
| More than five years | 1.396.664.668 | 2.105.525.440 |
| **TOTAL** | **12.806.687.430** | **10.860.318.088** |

The movements on debts occurring during the year ended December 31, 2023 are mainly attributable to new issues made under the ECP and NIP programmes net of repayments during the year.

# NOTE 8 – OTHER EXTERNAL EXPENSES

As at December 31, 2023, other external expenses are composed as follows:

| | 2023<br>EUR | 2022<br>EUR |
|---|---|---|
| Occupancy fees | 28.985 | 28.527 |
| Financial leasing | 1.916 | 21.212 |
| Service providers | | |
| Accounting / administrative fees | 204.689 | 195.376 |
| Technology & system fees | 204.356 | 161.215 |
| Legal & tax fees | 76.716 | 93.708 |
| External statutory audit fees | 40.340 | 34.382 |
| Rating agencies fees | 118.900 | 110.448 |
| Professional associations costs | 17.008 | 19.345 |
| Training fees | 1.710 | 3.810 |
| Bank fees & assimilated | 39.612 | 34.324 |
| Other fees | 45.537 | 17.866 |
| **TOTAL** | **779.769** | **720.213** |

# NOTE 9 - EMPLOYEES

Throughout the financial year, the Company maintained an average of 2,8 staff members employed (2022: 3,4). The 2022 staff figure has been recalculated to reflect the average number of staff. The decrease in the number of staff this year is temporary, as a recruitment process is in progress.

# NOTE 10 - EMOLUMENTS, ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGERIAL AND SUPERVISORY BODIES

The Company granted Directors' fees of EUR 21.600 (2022: EUR 18.530) in total to the independent members of the Board of Directors for the services rendered during the year.

# NOTE 11 - OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable and similar income are composed as follows:

| | 2023 | 2022 |
|---|---|---|
| | EUR | EUR |
| Interest income and similar income concerning affiliated undertakings | 34.885.785 | 4.249.871 |
| *(bonds in relation with ECP programme)* | | |
| Interest income and similar income concerning affiliated undertakings | 166.816.250 | 103.264.420 |
| *(loans and bonds in relation with NIP programme)* | | |
| Other financial income | 41.760 | 409 |
| **TOTAL** | **201.743.795** | **107.514.700** |

# NOTE 12 - INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses are composed as follows:

| | 2023 | 2022 |
|---|---|---|
| | EUR | EUR |
| Interest payable and similar expenses on notes payable *(ECP program)* | 34.725.136 | 4.149.569 |
| Interest payable and similar expenses on notes payable *(NIP program)* | 165.167.895 | 101.922.616 |
| Exchange losses | 7.740 | 1.821 |
| **TOTAL** | **199.900.771** | **106.074.006** |

# NOTE 13 - TAXATION

The Company is subject to the common tax law applicable to Luxembourg commercial companies.

# NOTE 14 - FEES TO THE RÉVISEUR D'ENTREPRISES AGRÉÉ

The fees to the *Réviseur d'entreprises agréé* accounted for the year ended December 31, 2023 are equal to the amount to EUR 40.340 inclusive of VAT (2022: EUR 34.382), all of which relate to the audit of the statutory annual accounts. The fees to the *Réviseur d'entreprises agréé* are included within the other external expenses in the Profit and Loss Account, as detailed in note 8.

# NOTE 15 - OFF-BALANCE SHEET COMMITMENTS AND OTHER TRANSACTIONS

As at December 31, 2023, the Company has provided lease guarantees amounting to EUR 4.295 (2022: EUR 4.295).

# NOTE 16 - SUBSEQUENT EVENTS

There have been no material subsequent events which would require disclosure in the Company's annual accounts as at December 31, 2023.

**REGISTERED OFFICE OF**
**Belfius Bank SA/NV**
Place Charles Rogier 11
B-1210 Brussels
Belgium

**REGISTERED OFFICE OF**
**Belfius Financing Company**
20 rue de l'Industrie
L-8399 Windhof
Grand Duchy of Luxembourg

**FISCAL AGENT, PRINCIPAL PAYING AGENT**

**Banque Internationale à Luxembourg, société anonyme**
69 route d'Esch
L-2953 Luxembourg
Grand Duchy of Luxembourg

**DOMICILIARY AGENT, PRINCIPAL PAYING AGENT, PAYING AGENT, CALCULATION AGENT, GUARANTOR**

**Belfius Bank SA/NV**
Place Charles Rogier 11
B-1210 Brussels
Belgium

**AUDITORS**

**To Belfius Bank SA/NV**

**KPMG Reviseurs d'Entreprises SCRL**
Gateway building, Luchthaven Nationaal 1 K
1930 Zaventem
Belgium

**To Belfius Financing Company**

**KPMG Luxembourg**
36, Avenue John F. Kennedy,
L-1855 Luxembourg
Grand Duchy of Luxembourg

**LEGAL ADVISOR**

**Linklaters LLP**
Rue Brederode 13
1000 Brussels
Belgium

**FIRST SUPPLEMENT DATED 3 SEPTEMBER 2024**
**TO THE BASE PROSPECTUS DATED 21 MAY 2024**

# BELFIUS FINANCING COMPANY SA

(Incorporated with limited liability under the laws of the Grand Duchy of Luxembourg)

**Issuer**

# BELFIUS BANK SA/NV

(Incorporated with limited liability under the laws of Belgium)

**Issuer, Guarantor, Domiciliary Agent, Principal Paying Agent, Paying Agent and Calculation Agent**

**BANQUE INTERNATIONALE A LUXEMBOURG,**

**SOCIETE ANONYME**

**Fiscal Agent and Principal Paying Agent**

# NOTES ISSUANCE PROGRAMME

EUR 20,000,000,000

This first supplement (the "**First Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 21 May 2024 as amended and supplemented (the "**Base Prospectus**") prepared in relation to the Programme and prepared in respect of the issuance of Belfius Bank Notes and Belfius Financing Company Notes. On 21 May 2024, the Belgian Financial Services and Markets Authority (the "**FSMA**") approved the Base Prospectus as a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")..

The FSMA approves this First Supplement on 3 September 2024 as supplement to the Base Prospectus for the purposes of Article 23 of the Prospectus Regulation.

The Issuers accept responsibility for the information contained in this First Supplement. The Issuers declare that, having taken all reasonable care to ensure that such is the case, the information contained in this First Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Supplement. The Base Prospectus and the First Supplement are available on the internet site www.belfius.be and a copy can be obtained free of charge in the offices of Belfius Bank SA/NV.

In case of inconsistency between (a) statements in this First Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, as supplemented, the First Supplement will prevail.

On 30 August 2024, Belfius Bank has published its half-year report for the period ending 30 June 2024 (the "**Half-Year Report 2024**"), available on https://www.belfius.be/about-us/en/investors/results-reports/results. The First Supplement has been prepared for the purposes of incorporating by reference the Half-Year Report 2024 and the disclosure document on Alternative Performance Measures of Belfius, for the period ending 30 June 2024.

Save as disclosed in this Supplement and any supplement to the Base Prospectus, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

In accordance with article 23 paragraph 2 of the Prospectus Regulation, investors who have, before the publication of this First Supplement, already agreed to purchase or subscribe notes related to an offering period

that was still ongoing on 3 September 2024, have the right to revoke their acceptance until 9 September 2024 (included). This right of revocation relates to the following Notes:

- Belfius Financing Company (LU) Fixed Rate Be=Loved Bond 09/2024 – 09/2025 3,10%
- Belfius Financing Company (LU) Callable 10/2028
- Belfius Financing Company (LU) Active Interest 10/2026
- Belfius Financing Company (LU) USD 10/2024 – 10/2027
- Belfius Financing Company (LU) NZD 10/2024 – 10/2027

# Results in the first half of 2024 of Belfius Bank SA/NV

The section 5. "Documents incorporated by reference" on page 46 is amended as follows:

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

(i) the audited consolidated accounts of Belfius Bank for the years ended 31 December 2022[1] and 31 December 2023[2], including the reports of the statutory auditors in respect thereof; and

(ii) the disclosure documents on alternative performance measures ("**APM**") for the years ended 31 December 2022[3] and 31 December 2023[4],

(iii) the half-yearly report of Belfius Bank for the period ending 30 June 2024[5]; and

(iv) the half-yearly disclosure document on APMs for the period ended 30 June 2024[6],

each of which are incorporated by reference in this Base Prospectus.

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

This Base Prospectus should also be read and construed in conjunction with the audited accounts of Belfius Financing Company for the years ended 31 December 2022 and 31 December 2023, including the reports of the statutory auditors in respect thereof, each as incorporated in Annex 5 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 Notes from the previous base prospectus relating to the Programme which was approved by the FSMA on 23 May 2023 (and which is replaced and superseded by this Base Prospectus) with respect to any Notes 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 offices of Belfius Bank and on the website of Belfius Bank (https://www.belfius.be).

The tables below set out the relevant page references for:

(a) the (i) consolidated balance sheet, (ii) consolidated statement of income, (iii) consolidated statement of comprehensive income, (iv) consolidated statement of change in equity, (v) consolidated cash flow statement, (vi) notes to the consolidated financial statements, (vii) audit report on the consolidated accounts, (viii) non-consolidated balance sheet, (ix) non-consolidated statement of income, (x) audit report on the non-consolidated accounts and (xi) APMs of Belfius Bank, for the financial years ended 31 December 2022 and 31 December 2023; and

(b) the (i) unaudited consolidated balance sheet, (ii) unaudited consolidated statement of income, (iii) unaudited consolidated statement of comprehensive income, (iv) unaudited consolidated statement of change in equity, (v) unaudited consolidated cash flow statement, (vi) audit report on the consolidated accounts, (vii) notes to the consolidated financial statements of Belfius Bank for the period ended 30 June 2024 as set out in the Half-Year Report 2024, (viii) APMs of Belfius Bank for the period ended 30 June 2024, and;

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[1] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Annual%20Report%20Belfius%20Bank%202022%20-%20ENG.pdf

[2] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Annual-Report-2023-EN.pdf

[3] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2022%20Alternative%20Performance%20Measures.pdf

[4] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2023-APM.pdf

[5] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/1H%202024%20Half-year%20report.pdf

[6] Available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/1H%202024%20APM.pdf

(c) the accounting policies, notes and auditors' reports of Belfius Financing Company for the financial years ended 31 December 2022 and 31 December 2023 (each as also incorporated in Annex 5 of this Base Prospectus).

Information contained in the documents incorporated by reference or incorporated in Annex 5 (as applicable) other than information listed in the table below is for information purposes only and does not form part of this Base Prospectus. Such non-incorporated parts are deemed not relevant for the investor or are covered elsewhere in this Base Prospectus.

The balance sheet and statement of income of Belfius Financing Company can be found in the section headed "6. Belfius Financing Company S.A." of this Base Prospectus.

| *(reference to pages of the Reports)* | **Annual Report 2022 Audited** | **Annual Report 2023 Audited** |
|---|---|---|
| Audit report on the accounts | 1-4 | 1-3 |
| Balance sheet | 5-10 | 4-9 |
| Profit and loss account | 11-13 | 10-12 |
| Notes to the accounts | 14-23 | 13-22 |

The consolidated balance sheet and consolidated statement of income of Belfius Bank can be found in the section headed "7. Belfius Bank SA/NV" of this Base Prospectus.

**Belfius Bank SA/NV**

| *(reference to pages of the Reports)* | **Annual Report 2022 (English version) audited** | **Annual Report 2023 (English version) audited** | **Half-Year Report 2024 (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 | - | N/A |

**Alternative performance measures for the financial years ended 31 December 2022 and 31 December 2023 and for the half year ended 30 June 2024**

**Belfius Bank SA/NV**

| | **Alternative performance measures 2022** | **Alternative performance measures 2023** | **Alternative performance measures 1H 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 | 5 | 5 |
| total loans to customers | 6 | 6 | 6 |
| ALM liquidity bond portfolio | 6 | 6 | 6 |
| ALM yield bond portfolio | 6 | 7 | 7 |
| credit guarantee portfolio | 7 | 7 | 7 |
| funding diversification | 7 | 7 | 7 |
| life income margin | 8 | - | - |
| non-life expense ratio | 9 | 8 | 8 |
| non-life net loss ratio | 9 | 9 | 9 |
| adjusted result | 10 | 9 | 9 |

**SECOND SUPPLEMENT DATED 4 MARCH 2025**
**TO THE BASE PROSPECTUS DATED 21 MAY 2024**

# BELFIUS FINANCING COMPANY SA

(Incorporated with limited liability under the laws of the Grand Duchy of Luxembourg)

**Issuer**

# BELFIUS BANK SA/NV

(Incorporated with limited liability under the laws of Belgium)

**Issuer, Guarantor, Domiciliary Agent, Principal Paying Agent, Paying Agent and Calculation Agent**

**BANQUE INTERNATIONALE A LUXEMBOURG,**

**SOCIETE ANONYME**

**Fiscal Agent and Principal Paying Agent**

# NOTES ISSUANCE PROGRAMME

EUR 20,000,000,000

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 21 May 2024 as amended and supplemented (the "**Base Prospectus**") prepared in relation to the Programme and prepared in respect of the issuance of Belfius Bank Notes and Belfius Financing Company Notes. On 21 May 2024, the Belgian Financial Services and Markets Authority (the "**FSMA**") approved the Base Prospectus as a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The FSMA approved the First Supplement on 3 September 2024 as supplement to the Base Prospectus for the purposes of Article 23 of the Prospectus Regulation.

The FSMA approves this Second Supplement on 4 March 2025 as supplement to the Base Prospectus for the purposes of Article 23 of the Prospectus Regulation.

The Issuers accept responsibility for the information contained in this Second Supplement. The Issuers declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Second Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Supplement. The Base Prospectus, the First Supplement and the Second Supplement are available on the internet site www.belfius.be and a copy can be obtained free of charge in the offices of Belfius Bank SA/NV.

In case of inconsistency between (a) statements in this Second Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, as supplemented, the Second Supplement will prevail.

On 27 February 2025, Belfius Bank has published its key figures 2024, available on https://www.belfius.be/about-us/en/investors/results-reports/results.
The Second Supplement has been prepared for the purposes of providing information about the key figures 2024 of Belfius Bank SA/NV.

Save as disclosed in this Supplement and any supplement to the Base Prospectus, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

In accordance with article 23 paragraph 2 of the Prospectus Regulation, investors who have, before the publication of this Second Supplement, already agreed to purchase or subscribe notes related to an offering

period that was still ongoing between 27 February 2025 and 4 March 2025 included, have the right to revoke their acceptance until 10 March 2025 (included). This right of revocation relates to the following Notes:

- Belfius Financing Company (LU) Active Interest 03/2031
- Belfius Financing Company (LU) Callable 03/2031
- Belfius Financing Company (LU) USD 03/2025 – 03/2030
- Belfius Financing Company (LU) Memory Private S&P 03/2030
- Belfius Financing Company (LU) Liquidity 04/2025 – 04/2029
- Belfius Financing Company (LU) Tarnos Autocall 04/2030
- Belfius Financing Company (LU) NOK 04/2025 – 04/2029
- Belfius Financing Company (LU) Opti Performer Banks 04/2030
- Belfius Financing Company (LU) Callable 04/2030

## 1. Key Figures 2024 of Belfius Bank SA/NV

The following is a press release of Belfius Bank SA/NV dated 27 February 2025 on the key figures for the financial year ended on 31 December 2024 (the press release is available on https://www.belfius.be/about-us/dam/corporate/investors/results/en/Results-2024.pdf.