

# SUMMARY Belfius Financing Company (LU)

## USD 05/2024 – 05/2027

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

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

#### **Introduction and warnings**

##### **A.1 Introduction:**

- type, class and international securities identification number (ISIN) of the securities:  
Debt securities – Fixed Rate Notes – Structure with a periodic payment  
Isin Code: BE6350719322
- identity and contact details of the Issuer, including its legal entity identifier (LEI):  
Belfius Financing Company S.A.
  - a. Contact details: 20, rue de l'Industrie, L-8399 Koerich, Grand Duchy of Luxembourg
  - b. LEI: 222100XN1KG7XBC16R52
- identity and contact details of the competent authority approving the Base Prospectus:  
Financial Services and Markets Authority (FSMA)  
Contact details: Congressstraat 12-14, 1000 Brussels, Belgium, telephone +32 2 220 52 11
- date of approval of the Base Prospectus: 23 May 2023

##### **A.2 Warning that:**

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

## Issuer and Guarantor

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

#### Issuer: Belfius Financing Company S.A.

##### B.1.1 Legal and commercial name of the Issuer

Legal name: Belfius Financing Company S.A.

Commercial name: Belfius Financing Company

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

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

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

LEI: 222100XN1KG7XBC16R52

##### B.1.3 Key managing directors (Board of Directors)

Category A Directors	Category B Directors
<ul style="list-style-type: none"><li>• Werner Driscart</li><li>• Kristin Claessens</li></ul>	<ul style="list-style-type: none"><li>• Benoît Felten</li><li>• Christoph Finck</li></ul>

##### B.1.4 Position of the Issuer in its group

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

##### B.1.5 Statutory auditor

KPMG Luxembourg, S.a.r.l.

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

Grand Duchy of Luxembourg

##### B.1.6 Principal activities

Belfius Financing Company acts as a finance company. Belfius Financing Company issues notes in the market, whereby proceeds of the issued notes are fully transferred to Belfius Bank.

#### Guarantor: Belfius Bank SA/NV

##### B.1.1 Legal and commercial name of the Guarantor

Legal name: Belfius Bank SA/NV

Commercial name: Belfius Bank

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

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

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

LEI: A5GWLFH3KM7YV2SFQL84

##### B.1.3 Key managing directors (Management Board)

- Marc Raisière (Chairman)
- Marianne Collin (Member)
- Dirk Gyselinck (Member)
- Olivier Onclin (Member)
- Johan Vankelecom (Member)
- Bram Somers (Member)

##### B.1.4 Position of the Guarantor in its group

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

##### B.1.5 Statutory auditor

KPMG Belgium

Luchthaven Brussel Nationaal 1K

B-1930 Zaventem

Belgium

**B.1.6 Principal activities**

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

**B.2. What is the key financial information regarding the Issuer/Guarantor?****Issuer: Belfius Financing Company S.A.****B.2.1 Profit forecast or estimate**

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

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

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2022: Report on the consolidated financial statements – Unqualified opinion

**B.2.3 Selected historical key financial information**

The audited Balance Sheet of Belfius Financing Company as of 31 December 2021 and 31 December 2022, as the audited Profit and Loss Account of Belfius Financing Company as of 31 December 2021 and 31 December 2022 (all expressed in thousands of EUR) are set out below:

Balance Sheet		
(in thousands of EUR)	31/12/2021	31/12/2022
	audited	audited
SUBSCRIBED CAPITAL UNPAID	981	981
FORMATION EXPENSES	-	-
IMMOBILIZED ASSET	11	8
CURRENT ASSETS	9,048,259	10,863,913
PREPAYMENTS	12	11
<b>TOTAL ASSETS</b>	<b>9,049,263</b>	<b>10,864,913</b>
CAPITAL AND RESERVES	4,199	4,433
PROVISIONS	-	-
CREDITORS	9,044,870	10,860,318
DEFERRED INCOME	194	162
<b>TOTAL LIABILITIES</b>	<b>9,049,263</b>	<b>10,864,913</b>

Profit and Loss Account		
(in thousands of EUR)	31/12/2021	31/12/2022
	audited	audited
STAFF COSTS	-352	-375
VALUE ADJUSTMENTS	-3	-3
OTHER OPERATING EXPENSES	-711	-739
OTHER OPERATING INCOME	3	3
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	162,252	107,515
INTEREST PAYABLE AND SIMILAR EXPENSES	-160,797	-106,074
TAX ON PROFIT	-110	-92
<b>PROFIT AFTER TAXATION</b>	<b>282</b>	<b>235</b>
OTHER TAXES	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>282</b>	<b>235</b>

**B.2.4 Material adverse change in the prospects**

Not applicable.

**B.2.5 Significant changes in the financial performance**

Not applicable.

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

Not applicable.

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

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

**Guarantor: Belfius Bank SA/NV****B.2.1 Profit forecast or estimate**

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

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

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2022: Report on the consolidated financial statements – Unqualified opinion

## B.2.3 Selected historical key financial information

The audited consolidated Balance Sheet of Belfius Bank as of 31 December 2021 and 31 December 2022, as the audited consolidated Statement of Income & Cash Flow Statement of Belfius Bank as of 31 December 2021 and 31 December 2022 (all expressed in thousands of EUR) are set out below:

Consolidated Balance Sheet (in thousands of EUR)	31/12/2021 Audited	31/12/2022 Audited
TOTAL ASSETS	192,150,543	179,465,679
TOTAL LIABILITIES	180,657,795	167,845,027
TOTAL EQUITY	11,492,748	11,620,652
TOTAL LIABILITIES AND EQUITY	192,150,543	179,465,679

Consolidated statement of income (in thousands of EUR)	31/12/2021 Audited	31/12/2022 Audited
INCOME	2,703,276	2,982,353
EXPENSES	-1,477,125	-1,620,005
GROSS OPERATING INCOME	1,226,151	1,362,349
NET INCOME BEFORE TAX	1,225,714	1,254,611
NET INCOME AFTER TAX	935,617	975,892
NET INCOME Attributable to equity holders of the parent	934,964	974,711

Consolidated cash flow statement (in thousands of EUR)	31/12/2021 Audited	31/12/2022 Audited
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	6,247,719	-3,695,392
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-84,728	-102,786
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	278,280	-474,794
NET CASH PROVIDED	6,441,270	-4,272,972
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	25,881,900	32,322,938
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-232	-1,577
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	32,322,938	28,048,389

## B.2.4 Material adverse change in the prospects

Not applicable.

## B.2.5 Significant changes in the financial performance

Not applicable.

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

The robust liquidity and solvency position of Belfius arises from its successful and diversified funding strategy, its sound risk management, sustainable commercial performances and its solid financial results.

Belfius is compliant with the SREP (Supervisory Review and Evaluation Process) and the liquidity requirements imposed by the ECB and the BNB.

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

As at 27 March 2024, Belfius Bank had the following long-term ratings: A- (*stable outlook*) with Fitch, A1 (*positive outlook*) with Moody's and A (*stable outlook*) with Standard & Poor's.

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

**B.3.1 Macro & geopolitical situation:** The macro- and geopolitical situation is subject to many continuing risks and uncertainties. The majority of the obstacles continue to persist, with core inflation expected to remain higher than 2% in 2023. In the medium term, in the absence of necessary reforms (e.g. in the labour market), sound(er) energy policy and better (geo)political predictability, the competitiveness of more Belgian enterprises could be hurt, jeopardising medium term (potential) economic growth in Belgium and impacting households further. On top of that, the higher (longer) interest rates could exacerbate the concerns regarding the elevated Belgian fiscal deficit and public debt. Any additional adverse geopolitical development or macroeconomic shock could jeopardise the GDP recovery trajectory and push Belgian economy into recession.

**B.3.2 Credit Risk:** Credit risks are inherent in a wide range of Belfius Bank's businesses. These include risks arising from changes in the credit quality of counterparties as well as the inability to recover amounts due from counterparties. This means that Belfius Bank is exposed to the risk that third parties (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 or real estate values, operational failure or other factors may cause them to default on their obligations towards Belfius Bank.

- B.3.3 Profitability:** Changes in the profitability and changes in the expectations about the future profitability can influence the secondary market value of Belfius' 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.
- B.3.4 Market Risk:** 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. These value adjustments are mostly related to the ex-legacy portfolio. Moreover, the hedging of structured retail products with illiquid equity indices as underlying has structurally increased the equity risk. Growing derivative single stock activity might also bring additional equity risk. More elaborately, market risk within Belfius Bank is focused on all financial markets activities of the bank and encompasses, as mentioned above, interest rate risk (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.
- B.3.5 Operational – Non-Financial Risks (NFR):** NFR must be understood as a broad umbrella covering all risks except "financial risks" (the latter encompassing market, asset and liability management, 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.

## Securities

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

- C.1.1 Type, class and identification number**  
Debt securities – Fixed Rate Notes – Structure with a periodic payment  
ISIN Code: BE6350719322
- C.1.2 Currency**  
USD
- C.1.3 Denomination**  
USD 2,000
- C.1.4 Restrictions on the free transferability**  
Subject to any applicable law or regulation, there are no specific restrictions on the free transferability.
- C.1.5 Rights attached to the securities including ranking/seniority and limitations to those rights**  
The Notes are direct, unconditional and unsecured obligations of the Issuer and rank without any preference among themselves, with all other obligations of the Issuer of the same category, only to the extent permitted by laws relating to creditor's rights. This category can be seen as the "ordinary creditors" and may be qualified as "*preferred senior* creditors", being the creditors related under Article 389/1, 1° of the banking law. Such creditors have a higher priority ranking than the so-called "*non-preferred senior*" creditors defined under Article 389/1, 2° of the banking law.
- C.1.6 — nominal interest rate**  
4.625 per cent per annum  
**— date from which interest becomes payable and due dates for interest**  
Interest Period End Dates: annually on each 13 May, from 13 May 2025 up to and including 13 May 2027, not subject to adjustment in accordance with the Business Day Convention.  
Interest Payment Dates: annually on each 13 May, from 13 May 2025 up to and including 13 May 2027, subject to adjustment in accordance with the Business Day Convention.  
**— Issue Date, Issue Price, Selling Fees, Maturity date, exercise date, final reference date and arrangements for the amortization of the Notes, including the repayment procedures**  
Issue Date: 13 May 2024  
Issue Price: 101%  
Maturity Date: 13 May 2027  
Redemption Price: 100%  
**— Gross yield (including fees and other costs):**  
Gross yield calculated at the Maturity Date: 4.26%

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

The securities will not be admitted to trading.

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

### C.3.1 Nature and scope of the guarantee

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

### C.3.2 Information about the Guarantor

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

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

See B.2.3 above

### C.3.4 Material risk factors

See B.3 above

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

### C.4.1 Risks related to the exercise of the bail-in resolution tool: The Banking Recovery and Resolution Directive (“BRRD”) 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 or the Guarantee which could limit the recovery available to Noteholders.

### C.4.2 Risks related to the market value of the Notes: The market value of an issue of Notes will be affected by a number of factors, including, but not limited to, market interest and yield rates, volatility in the market, the creditworthiness of the Issuers and the Guarantor (as applicable), the time remaining to any redemption date or maturity date, and economic, financial and political events in one or more jurisdictions. The price at which a Noteholder will be able to sell any Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the issue date. Potential investors should consider reinvestment risk in light of other investments available at that time.

### C.4.3 Risk related to the impact of transaction costs on yield: 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. In addition to such costs directly related to the purchase of securities, 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.

### C.4.4 Risk related to 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.

### C.4.5 Risk related to the waiver of the right 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 or the Guarantor 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. This means, among other things, that the Noteholder will not be able to set off or withhold amounts due to him on the basis of the Notes with any amount he otherwise owes to the Issuer or Guarantor. The Noteholder should pay any sum for which he would be liable without being able to wait for the payment of the sums due to him on the basis of the Notes.



**C.4.6 Risks related to Change of Tax Law:** The Terms and Conditions of the Notes are, save to the extent referred to therein, based on legislation in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or changes to the laws in Belgium, other jurisdictions (such as the Foreign Account Tax Compliance Act (“**FATCA**”) under US law) or on a supranational level (e.g. the EU Financial Transaction Tax) or administrative practice after the date of issue of the Notes.

**C.4.8 Risks related to Foreign Currency Notes:** As purchasers of foreign currency Notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to each Issuer or the type of Note being issued.

## Offer

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

#### D.1.1 Terms and conditions of the offer

Offering Period from 2 April 2024 until 30 April 2024 (except in case of early closing).

The Issuer has the right to cancel any issue of Notes under the Programme during the Offering Period until the fifth Business Day before their Issue Date, either (i) when it reasonably believes that investors will not subscribe to the offer for an amount of at least the Minimum Amount specified in the relevant Final Terms or (ii) in case it considers there is a material adverse change in market conditions. The Issuer has the right to anticipatively terminate the Offering Period.

#### D.1.2 Estimated expenses charged to the investor

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

- **Upfront fee:** 1.00% of the subscribed nominal amount of Notes;
- **One-off product costs:** Maximum 1.00% of the subscribed nominal amount of Notes;
- **Recurring annual product costs:** Maximum 1.00% per annum of the subscribed nominal amount of Notes, i.e. a maximum of 3.00% if the Notes are held until the scheduled Maturity Date.

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

- **Brokerage fee:** Not Applicable
- **Foreign exchange costs:** a foreign exchange rate commission of maximum 1.00% could be charged to the investors.

### D.2. Why is this prospectus being produced?

#### D.2.1 Use and estimated net amount of the proceeds

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

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

#### D.2.2 Underwriting agreement

The offer is not subject to any underwriting agreement.

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

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