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# BELFIUS BANK SA/NV

*(incorporated with limited liability in Belgium)*

## Euro 10,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (which expression shall include this base prospectus as amended and/or supplemented from time to time and all documents incorporated by reference herein, the "**Base Prospectus**"), Belfius Bank SA/NV ("**Belfius Bank**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes that rank as senior obligations of the Issuer (the "**Senior Notes**") and Euro Medium Term Notes that rank as subordinated obligations of the Issuer (the "**Subordinated Notes**" and together with the Senior Notes, the "**Notes**"). The Senior Notes may be either senior preferred notes (the "**Senior Preferred Notes**") or senior non-preferred notes (the "**Senior Non-Preferred Notes**"). **It is the intention of the Issuer that the Senior Notes shall, for supervisory purposes, be treated as MREL/TLAC-Eligible Instruments** (as defined below).

The aggregate principal amount of Notes outstanding will not at any time exceed EUR 10,000,000,000 (or the equivalent in other currencies).

This Base Prospectus has been approved as a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") on 3 May 2022 by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Prospectus Regulation and the Luxembourg law of 16 July 2019 on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended (the "**Luxembourg Prospectus Law**"). It contains information relating to the issue by the Issuer of Notes and must be read in conjunction with the documents incorporated by reference herein. The CSSF has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. This approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Base Prospectus. In accordance with Article 6(4) of the Luxembourg Prospectus Law, the CSSF does not make any representation as to the economic or financial opportunity of the Notes nor as to the quality and solvency of the Issuer. Investors should make their own assessment as to the suitability of investing in any Notes. The Issuer has requested the CSSF to notify the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) of the approval of the Base Prospectus in accordance with Article 25 of the Prospectus Regulation.

The CSSF has neither reviewed nor approved the information contained in this Base Prospectus in relation to any issuance of any Notes that are not to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "**Market**") and for which a prospectus is not required in accordance with the Prospectus Regulation.

This Base Prospectus shall be valid for a period of one year from its date of approval, being until 3 May 2023. 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.

In relation to any Notes, this Base Prospectus must be read as a whole and together with the applicable Final Terms (as defined below). Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described or incorporated by reference herein. The issue price and amount of the relevant Notes will be determined at the time of the offering of each Tranche based on the then prevailing market conditions.

Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme for the period of twelve months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Market. References in this Base Prospectus to Notes being "listed" (and all related references), except where the context otherwise requires, shall mean that such Notes have been listed and admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended. No certainty can be given that the application for the listing of any Notes will be granted. Furthermore, admission of the Notes to the official list and trading on the Market is not an indication of the merits of the Issuer or the Notes. Unlisted Notes may also be issued pursuant to the Programme. The applicable Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the official list and admitted to trading on the Market (or any other stock exchange).

The Notes issued will be in dematerialised form in accordance with the Belgian Companies and Associations Code 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 Programme has been rated A in respect of Senior Preferred Notes with a maturity of one year or more, A-1 in respect of Senior Preferred Notes with a maturity of less than one year, BBB+ in respect of Senior Non-Preferred Notes and BBB in respect of the Subordinated Notes by S&P Global Ratings Europe Limited ("**Standard & Poor's**") and A1 in respect of Senior Preferred Notes with a maturity of one year or more, Prime-1 in respect of Senior Preferred Notes with a maturity of less than one year, Baa1 in respect of Senior Non-Preferred Notes and Baa2 in respect of the Subordinated Notes by Moody's France SAS ("**Moody's**"). Each of Moody's and Standard & Poor's is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with Regulation (EC) No.1060/2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011, as amended (the "**EU CRA Regulation**") published on the European Securities and Markets Authority ("**ESMA**")'s website (https://www.esma.europa.eu/) (on or about the date of this Base Prospectus). Tranches of Notes (as defined in "Overview of the Programme") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation will be disclosed in the applicable Final Terms. 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.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**") except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable U.S. state securities laws. The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, in Belgium to "consumers" (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

**Prospective investors should have regard to the factors described under the section headed "Risk Factors" in the Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Notes.**

**Arranger**

**Société Générale Corporate & Investment Banking**

**Dealers**

| | |
|---|---|
| **Barclays** | **Belfius Bank** |
| **BNP PARIBAS** | **BofA Securities** |
| **Citigroup** | **Commerzbank** |
| **Crédit Agricole CIB** | **Credit Suisse** |
| **J.P. Morgan** | **Landesbank Baden-Württemberg** |
| **Morgan Stanley** | **NatWest Markets** |
| **Nomura** | **Société Générale Corporate & Investment Banking** |
| **UBS Investment Bank** | **UniCredit** |

**Base Prospectus dated 3 May 2022**

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# IMPORTANT INFORMATION

## GENERAL

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (each, a "**Relevant State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by the final terms ("**Final Terms**") in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for Belfius Bank or any Dealer (as defined in "*Overview of the Programme*" below) to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case in relation to such offer. Neither Belfius Bank nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for Belfius Bank or any Dealer to publish or supplement a prospectus for such offer. The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129. This Base Prospectus has been prepared on the basis of Annexes 7 and 15 of Commission Delegated Regulation (EU) 2019/980.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). 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 together with the applicable Final Terms. Unless specifically incorporated by reference into this Base Prospectus, information contained on websites mentioned herein does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

Belfius Bank accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of Belfius Bank, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with Belfius Bank or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of Belfius Bank, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of Belfius Bank during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger. Investors should review, amongst other things, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes. Neither the Arranger nor the Dealers owe any fiduciary duties to any person in connection with this Base Prospectus. No responsibility is accepted by the Dealers or the Arranger or any of their directors, affiliates, advisers or agents for any act or omission of the Issuer or any other person (other than the relevant Dealer or Arranger) in connection with the issue and offering of the Notes.

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 Belfius Bank or any of the Dealers or the Arranger (as defined in "*Overview of the Programme*"). 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 Belfius Bank 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 Issuer 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.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

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 Issuer'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 Issuer does 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 global economy in general and the strength of the economies of the countries in which the Issuer conducts operations; (iv) the potential impact of sovereign risk, particularly in certain European Union countries which have recently come under market pressure; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the Issuer; (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 Issuer's business and practices in one or more of the countries in which the Issuer conducts operations; (xi) the adverse resolution of litigation and other contingencies; (xii) the impact of events such as the COVID-19 pandemic and the conflict in Ukraine on the operations and financial position of the Issuer; and (xiii) the Issuer'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.

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFER OF THE NOTES GENERALLY

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by Belfius Bank, the Dealers and the Arranger to inform themselves about and to observe any such restriction. For a description of

certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale*".

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The Notes may not be a suitable investment for all investors. Investors should make their own assessment as to the suitability of an investment in the 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.

Any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole by the investors.

This Base Prospectus nor any other information supplied in connection with the issue of Notes constitutes an offer of, or an invitation by or on behalf of Belfius Bank, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Notes where the Reference Rate 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.

**Prohibition of sales to EEA retail investors** – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "**Insurance Distribution**

**Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

**Prohibition of sales to UK retail investors –** If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA 2000**") and any rules or regulations made under the FSMA 2000 to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Prohibition of sales to consumers in Belgium** – The Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to "consumers" (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

**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 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 Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR product governance / target market –** The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR 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 distributor should take into consideration the target market assessment. A distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") 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 UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but

otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

**Benchmark Regulation** – 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 "**EU 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 included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the EU Benchmark Regulation. Not every reference rate will fall within the scope of the EU Benchmark Regulation. Transitional provisions in the EU 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 EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

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 EU 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 EU Benchmark Regulation. As far as the Issuer is aware, SONIA, €STR and SOFR do not fall within the scope of the EU Benchmark Regulation by virtue of Article 2 of the EU Benchmark Regulation.

**Notes issued as Green Bonds**

None of the Issuer, the Arranger nor the Dealers accepts any responsibility for any social, environmental or sustainability assessment of any Notes issued as Green Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainability" or similar labels. None of the Arranger nor the Dealers are responsible for the use of proceeds for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds.

No representation or assurance is given by the Issuer, the Arranger or the Dealers 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 Bonds, nor is any such opinion or certification a recommendation by the Issuer, the Arranger or any Dealer or any other person to buy, sell or hold any such Notes.

In the event any such Notes are, or are intended to be, listed or admitted to trading on a dedicated "green", "sustainability" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing or admission will be obtained or maintained for the lifetime of the Notes.

Any information on, or accessible through, the Issuer's website relating to the Issuer's Green Bond Framework (as defined in the section headed "Use of Proceeds") and the information in the Green Bond Framework and any second party opinion is not part of, nor is it incorporated in, this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to the Notes. In addition, no assurance or representation is given by the Issuer, the Arranger, the Dealers 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. 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.

## STABILISATION

In connection with the issue of any Tranche (as defined in the section "*Overview of the Programme − Method of Issue*") of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Managers) in accordance with all applicable laws and rules.

## CURRENCIES

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**U.S.$**" are to the lawful currency of the United States, to "**euro**", "**EUR**" and "**€**" are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Union, as amended, and to "**£**" are to Sterling, the lawful currency of the United Kingdom.

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## OVERVIEW OF THE PROGRAMME

*This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980, as amended.*

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Base Prospectus (including any documents incorporated by reference) and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined or used in "Terms and Conditions of the Notes" shall have the same meaning in this overview.*

| | |
|---|---|
| **Issuer** | Belfius Bank SA/NV ("**Belfius Bank**" and the "**Issuer**"). |
| **Information relating to the Issuer** | Belfius Bank is a limited liability company of unlimited duration incorporated under Belgian law and registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185. Its registered office is at 1210 Brussels, Place Charles Rogier 11, Belgium, telephone +32 22 22 11 11.<br>Legal Entity Identifier (LEI): A5GWLFH3KM7YV2SFQL84. |
| **Information relating to the Programme** | |
| **Size** | EUR 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time. |
| **Arranger** | Société Générale |
| **Dealers** | Barclays Bank Ireland PLC<br>Belfius Bank SA/NV<br>BNP Paribas<br>BofA Securities Europe SA<br>Citigroup Global Markets Europe AG<br>Commerzbank Aktiengesellschaft<br>Crédit Agricole Corporate and Investment Bank<br>Credit Suisse Bank (Europe), S.A.<br>J.P. Morgan SE<br>Landesbank Baden-Württemberg<br>Morgan Stanley Europe SE<br>NatWest Markets N.V.<br>Nomura Financial Products Europe GmbH<br>Nomura International plc<br>Société Générale<br>UBS AG London Branch<br>UniCredit Bank AG<br>The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. |
| **Fiscal Agent** | Belfius Bank, or any other entity appointed from time to time by the Issuer as the Fiscal Agent pursuant to the terms of the Agency |

| | |
|---|---|
| | Agreement either in respect of the Programme, generally, or in respect of a particular issuance of Notes, in which case a different Fiscal Agent may be specified in the applicable Final Terms. |
| **Paying Agent** | Belfius Bank, or any other entity appointed from time to time by the Issuer as the Paying Agent or an additional Paying Agent pursuant to the terms of the Agency Agreement, either in respect of the Programme, generally, or in respect of a particular issuance of Notes, in which case a different Paying Agent may be specified in the applicable Final Terms. |
| **Listing Agent** | Banque Internationale à Luxembourg SA, or any other entity appointed from time to time by the Issuer as a Listing Agent, either in respect of the Programme, generally, or in respect of a particular issuance of Notes, in which case a different Listing Agent may be specified in the applicable Final Terms. |
| **Agency Agreement** | The agency agreement between the Issuer, the Fiscal Agent and the Paying Agent dated 3 May 2022. |
| **Method of Issue** | Notes will be issued on a syndicated or non-syndicated basis. 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 completed, where necessary, with the relevant 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. |
| **Issue Price** | Notes may be issued at their principal amount or at a discount or premium to their principal amount. |
| **Form of Notes** | Notes will be issued in dematerialised form in accordance with the Belgian Companies and Associations Code via the book-entry system maintained in the records of the National Bank of Belgium as operator of the Securities Settlement System. |
| **Clearing Systems** | The settlement system operated by the National Bank of Belgium or any successor thereto (the "**Securities Settlement System**").<br>Access to the Securities Settlement System is available through those of the participants in the Securities Settlement System whose membership extends to securities such as the Notes. Participants in the Securities Settlement System include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking Frankfurt ("**Clearstream**"), SIX SIS AG ("**SIX SIS**"), Monte Titoli S.p.A. ("**Monte Titoli**"), Interbolsa S.A. ("**Interbolsa**"), Euroclear France SA ("**Euroclear France**") and LuxCSD S.A. ("**LuxCSD**"). Accordingly, the Notes will be eligible to clear |

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| | through, and therefore accepted by, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and LuxCSD and investors can hold their interests in the Notes within securities accounts in Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France or LuxCSD. |
| **Initial Delivery of Notes** | Notes will be credited to the accounts held with the Securities Settlement System by Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France or LuxCSD or any other Securities Settlement System participants. |
| **Currencies** | Subject to compliance with all relevant laws, regulations and directives (including the rules of the Securities Settlement System), Notes may be issued in any currency agreed between the Issuer and the relevant Dealers. |
| **Maturities** | Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue. Notes may be issued which have no specified maturity.<br><br>Under the Luxembourg Prospectus Law, prospectuses relating to money market instruments having a maturity on issue of less than twelve months and complying also with the definition of securities are not subject to the approval provisions of the Prospectus Regulation and Part II of the Luxembourg Prospectus Law. |
| **Denomination** | Notes will be in such denominations as may be specified in the applicable Final Terms, save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area ("**EEA**") or offered to the public in an EEA Member State in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA 2000**") will have a minimum denomination of £100,000 (or its equivalent in other currencies). |
| **Fixed Rate Notes** | Fixed Rate Notes will bear interest at a fixed rate payable in arrear on the date or dates in each year specified in the applicable Final Terms.<br><br>If an indication of yield is included in the applicable Final Terms, the yield of each Tranche of Fixed Rate Notes will be calculated on the basis of the relevant issue price at the relevant issue date. It is not an indication of future yield. |

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| **Resettable Notes** | Interest will be payable in arrear on the dates specified in the Final Terms at the initial rate specified in the Final Terms, and thereafter the rate may be reset with respect to a specified time period by reference to the prevailing Mid-Swap Rate. The rate of interest may be reset on more than one occasion. |
| **Step-Up Notes** | Fixed Rate Notes may also be issued as Step-Up Notes, in which case the fixed interest payable on the Notes will increase in respect of each successive date on which interest is to be paid, as specified in the applicable Final Terms. |
| **Floating Rate Notes** | Floating Rate Notes will bear interest set separately for each Series as follows:<br>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined below), as published by the International Swaps and Derivatives Association, Inc.; or<br>(ii) by reference to EURIBOR, SONIA, €STR or SOFR (or such other benchmark as may be specified in the applicable Final Terms) as adjusted for any applicable margin as specified in the applicable Final Terms.<br>Interest Periods will be specified in the applicable Final Terms. |
| **CMS-Linked Interest Notes** | CMS-Linked Interest Notes will bear interest set separately for each Series by reference to a Constant Maturity Swap Rate, or the spread between two such rates, as may be specified in the applicable Final Terms, as adjusted for any applicable margin and/or leverage as specified in the applicable Final Terms.<br>Interest Periods will be specified in the applicable Final Terms. |
| **Maximum or Minimum Rates of Interest** | Floating Rate Notes, CMS-Linked Interest Notes and Range Accrual Notes may specify a Maximum Rate of Interest or a Minimum Rate of Interest, or both, as being applicable in the applicable Final Terms. If a Maximum Rate of Interest is specified, then the interest payable will in no case be higher than such rate and if a Minimum Rate of Interest is specified, then the interest payable will in no case be lower than such rate. |
| **Fixed to Floating Rate Notes and Floating to Fixed Rate Notes** | Notes may be issued under the Programme which bear a fixed rate of interest in respect of certain Interest Periods and a floating rate of interest in respect of other Interest Periods, as specified in the applicable Final Terms. |
| **Range Accrual Notes** | Range Accrual Notes will bear interest calculated by reference to the number of business days during the relevant Interest Accrual Period on which a reference rate is greater than or equal to a specified minimum rate of interest and/or lesser than or equal to a specified maximum rate of interest. |
| **Zero Coupon Notes** | Zero Coupon Notes will be issued at a price which is at a discount to their principal amount, and will not bear interest. |
| **Redemption** | Notes will be redeemed either (i) at 100% per Calculation |

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| | Amount, or (ii) at an amount per Calculation Amount specified in the applicable Final Terms, provided that the amount so specified shall be at least 100% per Calculation Amount. |
| **Optional Redemption** | The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and if so, the terms applicable to such redemption shall be as set out in the Terms and Conditions of such Notes, in accordance with the elections made in the applicable Final Terms. |
| **Early Redemption** | Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See "Terms and Conditions of the Notes – Condition 3(e)". If specified in the applicable Final Terms, Notes may be redeemed (i) in respect of Subordinated Notes, upon the occurrence of a Capital Disqualification Event, or (ii) in respect of Senior Notes, upon the occurrence of a MREL/TLAC Disqualification Event. |
| **Status of Notes** | The Notes may be either senior notes (the "**Senior Notes**") or subordinated notes (the "**Subordinated Notes**") and the Senior Notes may be either senior preferred notes (the "**Senior Preferred Notes**") or senior non-preferred notes ("**Senior Non-Preferred Notes**"), in each case as specified in the relevant Final Terms. The existing Senior Notes whose Final Terms do not specify whether they constitute Senior Preferred Notes or Senior Non-Preferred Notes are *pari passu* with the Senior Preferred Notes.<br>***Senior Preferred Notes**:*<br>The Senior Preferred Notes will be direct, unconditional, senior (*chirografaire/chirographaires*) and unsecured obligations of the Issuer and rank at all times (i) *pari passu*, without any preference among themselves, and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, which will fall or are expressed to fall within the category of obligations described in Article 389/1, 1° of the Belgian Banking Law, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights, (ii) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking *pari passu* with or junior to Senior Non-Preferred Obligations and (iii) junior to the claims of depositors and to all present and future claims as may be preferred by laws of general application.<br>It is the intention of the Issuer that the Senior Preferred Notes shall be treated, for regulatory purposes, as MREL/TLAC-Eligible Instruments under the Applicable MREL/TLAC Regulations.<br>Where:<br>"**Senior Non-Preferred Obligations**" means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in |

Article 389/1, 2° of the Belgian Banking Law, including Senior Non-Preferred Notes.

"**Applicable MREL/TLAC Regulations**" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Belgium and applicable to the Issuer and giving effect to MREL. If there are separate laws, regulations, requirements, guidelines and policies giving effect to MREL, then "Applicable MREL/TLAC Regulations" means all such regulations, requirements, guidelines and policies.

"**MREL**" means the "minimum requirement for own funds and eligible liabilities" for banking institutions referred to in BRRD and CRD, or any other EU laws and regulations implemented in Belgian laws and regulations and/or as set out in policies and/or principles of the Relevant Resolution Authority as the case may be.

"**MREL/TLAC-Eligible Instrument**" means an instrument that is eligible to be counted towards the MREL of the Issuer in accordance with Applicable MREL/TLAC Regulations.

***Senior Non-Preferred Notes**:*

The Senior Non-Preferred Notes are issued pursuant to the provisions of Article 389/1, 2° of the Belgian Banking Law. The Senior Non-Preferred Notes will be direct, unconditional, senior (*chirografaire/chirographaires*) and unsecured obligations of the Issuer and rank at all times (i) *pari passu*, without any preference among themselves, with all other Senior Non-Preferred Obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights, (ii) senior to the Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations and (iii) junior to the present and future claims of (a) any unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations, and (b) all other present and future claims as may be preferred by laws of general application or otherwise ranking in priority to the Senior Non-Preferred Obligations.

Subject to applicable law, if an order is made or an effective resolution is passed for the liquidation, dissolution or winding-up of the Issuer by reason of bankruptcy (*faillissement/faillite*), the Noteholders will have a right to payment under the Senior Non-Preferred Notes (i) only after, and subject to, payment in full of Senior Preferred Obligations (including any holders of Senior Preferred Notes) and other present and future claims benefiting from statutory preferences or otherwise ranking in priority to Senior Non-Preferred Obligations and (ii) subject to such payment in full, in priority to holders of the Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations.

It is the intention of the Issuer that the Senior Non-Preferred Notes shall be treated, for regulatory purposes, as MREL/TLAC-Eligible Instruments under the Applicable MREL/TLAC Regulations.

Where:

"**Applicable MREL/TLAC Regulations**" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Belgium and applicable to the Issuer and giving effect to MREL. If there are separate laws, regulations, requirements, guidelines and policies giving effect to MREL, then "Applicable MREL/TLAC Regulations" means all such regulations, requirements, guidelines and policies.

"**MREL**" means the "minimum requirement for own funds and eligible liabilities" for banking institutions referred to in BRRD and CRD, or any other EU laws and regulations implemented in Belgian laws and regulations and/or as set out in policies and/or principles of the Relevant Resolution Authority as the case may be.

"**MREL/TLAC-Eligible Instrument**" means an instrument that is eligible to be counted towards the MREL of the Issuer in accordance with Applicable MREL/TLAC Regulations.

***Subordinated Notes***:

The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari* passu and without any preference among themselves. In the event of dissolution or liquidation of the Issuer (including the following events creating a competition between creditors (*"samenloop van schuldeisers/concours de créanciers"*): bankruptcy (*"faillissement/faillite"*), judicial liquidation (*"gerechtelijke vereffening/liquidation forcée"*) or voluntary liquidation (*"vrijwillige vereffening/liquidation volontaire"*) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer)), the rights and claims of the holders of Subordinated Notes against the Issuer shall be for an amount equal to the principal amount of each Subordinated Note together with any amounts attributable to such Subordinated Notes and shall rank, subject to any obligations which are mandatorily preferred by law (including, without limitation, national laws governing insolvency proceedings of the Issuer):

(a) junior to the claims of all Senior Creditors of the Issuer and Ordinarily Subordinated Creditors of the Issuer;

(b) *pari passu* without any preference among themselves and *pari passu* with the claims of holders of any other obligations or instruments of the Issuer which constitute, or

would but for any applicable limitation on the amount of such capital constitute, Tier 2 capital of the Issuer; and

(c) senior and in priority to (1) the claims of holders of all classes of share or other equity capital (including preference shares (if any)) of the Issuer, (2) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer and (3) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes.

Where:

"**Ordinarily Subordinated Creditors**" means creditors of the Issuer whose claims are in respect of subordinated obligations which fall or are expressed to fall within the category of obligations described in Article 389/1, 3° of the Belgian Banking Law.

"**Senior Creditors**" means creditors of the Issuer whose claims are in respect of obligations which are unsubordinated or which otherwise rank, or are expressed to rank, senior to claims of Ordinarily Subordinated Creditors and senior to obligations which constitute Tier 2 capital of the Issuer (including the Subordinated Notes).

***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 Issuer 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. In case an amount is unduly discharged by the Issuer as a result of the exercise of any right of set-off, netting, compensation or retention by the Noteholder, the Noteholder shall compensate the Issuer for the amount that was unduly discharged.

**Cross Default** None.

**Negative Pledge** None.

**Ratings** The following ratings have been assigned to Notes to be issued under the Programme:

The Programme has been rated A in respect of Senior Preferred Notes with a maturity of one year or more, A-1 in respect of Senior Preferred Notes with a maturity of less than one year, BBB+ in respect of Senior Non-Preferred Notes and BBB in respect of the Subordinated Notes by S&P Global Ratings Europe Limited ("**Standard & Poor's**") and A1 in respect of Senior Preferred Notes with a maturity of one year or more, Prime-1 in respect of Senior Preferred Notes with a maturity of less than one year, Baa1 in respect of Senior Non-Preferred

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| | Notes and Baa2 in respect of the Subordinated Notes by Moody's France SAS ("**Moody's**"). |
| | Each of Moody's and Standard & Poor's is established in the European Union and is included in the updated list of credit rating agencies registered in accordance with the EU CRA Regulation published on the European Securities and Markets Authority's ("**ESMA**") website (https://www.esma.europa.eu/) (on or about the date of this Base Prospectus). |
| | Where a Tranche of Notes is to be rated, such rating will be specified in the applicable Final Terms. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to Notes already issued under the Programme. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued (i) by a credit rating agency established in the European Union and registered under the EU CRA Regulation will be disclosed in the applicable Final Terms and/or (ii) by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation. |
| | 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. |
| **Withholding Tax** | All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Belgium unless the withholding is required by law. In such event, the Issuer shall, subject to certain exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts of interest as would have been received by it had no such withholding been required, all as described in "*Terms and Conditions of the Notes – Taxation*" and "*Taxation on the Notes*". |
| **Governing Law** | Belgian law. |
| **Listing and Admission to Trading** | Application has been made for Series of Notes, where specified in the applicable Final Terms, to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market ("**Regulated Market**") for the purposes of Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended, or the Series of Notes may remain unlisted. |
| | The CSSF, in its capacity as the competent authority under the Prospectus Regulation, has approved this Base Prospectus as a base prospectus for the purposes of the Prospectus Regulation. Such approval relates only to the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. |
| **Selling Restrictions** | United States, European Economic Area, United Kingdom, Belgium and Japan. See "*Subscription and Sale*". |
| | The debt securities of Belfius Bank are eligible for Category 2 |

for the purposes of Regulation S under the Securities Act.

The Notes may not be addressed to EEA and UK Retail Investors. See "*Subscription and Sale*".

The Notes are not intended to be offered sold, or otherwise made available to, and will not be offered, sold or otherwise made available, in Belgium, to "consumers" (*consommateurs/ consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

**Use of Proceeds**

The net proceeds of the issue of the Notes will be used by Belfius Bank for its general corporate purposes. 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, if so specified in the applicable Final Terms, the Issuer may indicate that an amount equivalent to the net proceeds from an issue of such Notes shall be specifically applied for projects and activities that promote climate and other environmental purposes – namely to finance and/or refinance over a certain period of time, in whole or in part, relevant assets, activities or projects as defined under the Issuer's Green Bond Framework (as defined in the section headed "Use of Proceeds").

The Issuer's Green Bond Framework is publicly available on the Issuer's website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-bonds). The Green Bond Framework does not form part of, and is not incorporated by reference into, this Base Prospectus.

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 Bonds" which have a particular use of proceeds identified in the applicable Final Terms*".

# RISK FACTORS

*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) before making any investment decision in respect of the Notes. The risks described below are risks which the Issuer believes may have a material adverse effect on the Issuer's business, financial condition, results of operations, future prospects and the value of the Notes or the Issuer's ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur. Additional risk and uncertainties, including those of which the Issuer is not currently aware or deems immaterial, may also potentially have an adverse effect on the Issuer's business, financial condition, results of operations or future prospects or may result in other events that could cause investors to lose all or part of their investment.*

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

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

*Prospective investors should carefully consider the risks set forth below and 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 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 the 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 the Notes. The market value can be expected to fluctuate significantly, and investors should be prepared to assume the market risks associated with the 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. Any reference to any law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated or replaced from time to time.*

## RISK FACTORS SPECIFIC TO THE ISSUER

### Risks related to the financial situation and business activity

*The COVID-19 pandemic may have an adverse impact on the Issuer's business activities*

Since the start of the COVID-19 pandemic in 2020, major concerns grew with respect to its impact on macro-economic situation that could lead to a substantial increase of the credit risk level in Belfius' loan portfolios. Along the crisis, Belfius kept supporting the Belgian society relying on actions taken internally together with measures taken at Belgian and European Central Bank ("**ECB**") levels.

These extraordinary policy measures included monetary measures, fiscal stimulus and ad-hoc regulatory packages to support credit markets and banks' lending to households and corporates. During 2020, the moratoria mechanism for companies and households was extensively used, but with the re-opening of most of the

economy activities towards the end of 2020, extensions were far less requested in the first half of 2021. At the end of 2021, a more normalised level of payment deferral was again attained with only a very limited stock of remaining COVID-19-related payment deferrals (<0.25%), mainly for companies in sectors still affected like catering and hotels (horeca) and events. More than 97% of corporate and business loans for which the moratoria came to an end have resumed their normal payments of formerly deferred amounts. For the mortgage loans, more than 99% of the clients have resumed their payments and in the public sector this amounts to 100%. With respect to the State guarantee mechanisms, as at the end of 2021 Belfius had EUR 3.6 million and EUR 82 million of outstanding loans under the first and second state guarantee mechanisms, respectively.

In order to manage its liquidity risk during this crisis, Belfius increased its participation to the targeted longer-term refinancing operations ("**TLTRO**") III in 2021 for an additional amount of EUR 1.4 billion to reach a total amount of TLTRO III funding of EUR 15.7 billion.

The credit risk management("**CRM**") team, in close cooperation with the business teams, set up several operational processes and mitigation actions to manage COVID-19 impacts, including granular portfolio screening process, credit reviews, credit lines' reduction, request for additional collaterals, refined guidance for analyst rating assignment and many other monitoring measures covering refined early warning systems, detailed transaction analyses, enhanced dashboardings. Also, the COVID-19 buffer conservatively taken in 2020 following the application of the granular provisioning logic was partially released in 2021 in light of the improved macro-economic conditions, the decrease of credit risk observed following a detailed re-assessment of portfolios and the moderate allowance for defaulted loans. Therefore, even if the expected COVID-19 effects on the overall macro-economic situation and on the key risk indicators of Belfius' loan portfolio did not (yet) materialise, Belfius kept a substantial buffer in 2022 to cover possible second round effects from the pandemic, including the impacts on customers in light of the current surge in energy prices, the effects of higher inflation, the scarcity of resources and labour capacity in several industries, the lifting of remaining support measures and the possible reinstatement of restriction measures in case of resurgence of the pandemic and, also, the geopolitical tensions.

The coverage ratio (i.e., the part secured by collateral) amounted to 60% as at the end of 2021 (being the same level as at the end of 2020).

In terms of financial market risk, the impact of the COVID-19 pandemic was quite material in the course of 2020. In 2021, the markets turned much more positive, while certain uncertainties however still resurfaced at certain times, amongst others due to raising concerns about inflation, in respect of which the impact remained limited for Belfius that, as also indicated above, left untouched the risk measures taken in 2020 (e.g. enhanced detection and monitoring tools, implementation of new limits, improvement of sensitivity analyses, new hedges) on the one hand and performed an important de-risking action on the other hand.

The non-financial risk ("**NFR**") management was strongly re-enforced during the COVID-19 crisis given the worldwide observed evolutions of risks and threats (VUCA world[1]) such as an increase of IT security concerns, an increase in hybrid and regulatory scrutiny about anti-money laundering and fiscal frauds. Consequently, in 2021 Belfius showed a strong resilience against these observed increasing external treats while operational losses remained low. Also, Belfius strictly applied all governments' directives in order to protect the health of its collaborators and clients. For further information, please refer to the risk factor entitled "*The Issuer's business activities are subject to non-financial risks, including operational, reputational, compliance and legal risks*".

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

Regarding the COVID-19 impacts on Belfius Insurance SA/NV ("**Belfius Insurance**"), the claims turned out to be very moderate in life and health thanks to the typology of its policyholders which are proportionally much less vulnerable to the virus (e.g. because of the age group to which they belong). In non-life, the contractual conditions preserved the company against massive losses in business interruption and the economic slowdown which followed the lock-down even led to a loss experience below the normal level on branches such as motor and workers' compensation. The effect of the crisis on production (issuance of new contracts) was more noticeable, but it returned to better fortune as the de-containment progressed and the production bounced back to levels close to normal, except in life. In order to maintain the solvency and the profit and loss of the company, actions have been taken proportionate to the risk bearing capacity. At the end of 2021, Belfius Insurance continued to rank amongst the best capitalised Belgian insurers with a Solvency II ratio of 200% (190% after dividend). Moreover, during the year specific monitoring and stress tests were regularly performed to assess Belfius Insurance's resilience. The latest "COVID-19" stress tests assessing the sustainability of Belfius Insurance's financial plan 21-25 (forward-looking view) concluded that the risk exposure is commensurate to the risk appetite of the company.

Given the uncertainty surrounding the further evolution of the COVID-19 crisis, it is impossible at any given time to make a reliable estimate of what the consequences will be for the global economy and, more specifically, for Belfius. The risks linked to the COVID-19 crisis can still have an influence on the risks described hereafter, accounting for potential second round effects (e.g. effects on consumer demand, disruptions of trade flows and production chains require close monitoring).

*Risks relating to the conflict between Russia and Ukraine*

Geopolitical risks rose significantly with the Russia-Ukraine conflict that started at the end of February 2022. Belfius is closely monitoring the situation and its direct and indirect impacts. Ten years ago, Belfius made a commitment to "never again" conduct business that it is not in line with its strategy, being meaningful and inspiring for the Belgian society. Belfius therefore strongly refocused its activities on the Belgian market. The result thereof is an immaterial impact of the conflict in terms of exposures on Russian, Ukrainian or Belarus counterparts. Belfius' direct exposure (Russian, Ukrainian and Belarus counterparties) is below EUR 1 million. The indirect exposure is currently being assessed. First results tend to show that this exposure is very limited. Nevertheless, a workforce is set in place within Belfius to monitor and assess the ongoing uncertainties and potential future material knock-on effects (energy prices, global economic slowdown, etc.).

If this conflict would turn into a more pronounced European or worldwide crisis, Belfius expects to still be able to rely on its strong solvency and liquidity position as well as prudent COVID-19 buffers that can be partially used to absorb economic shocks. The severity of this risk is judged as high even though Belfius' direct and indirect exposures are low due to uncertainties of the future knock-on effects of this conflict on its risk management framework.

As at the date of this Base Prospectus it is impossible to fully estimate the impact of the conflict in Ukraine on Belfius. The ongoing uncertainty has and may continue to adversely affect the economy and Belfius' business, results of operations, financial condition and prospects.

*As a credit institution, the Issuer is subject to credit risk, mainly stemming from changes in the credit quality of, and failures to perform by, its counterparties*

Credit risks are inherent to a wide range of Belfius Bank's businesses.

In order to cover the unexpected credit losses, Belfius Bank applies the Advanced Internal Rating-Based ("**AIRB**") approach to derive its minimum own funds requirement. The AIRB 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 probability of

default ("**PD**"), a loss-given default ("**LGD**") and a credit conversion factor ("**CCF**")[2]. Belfius Bank's solvency has been quite resilient in 2021. Belfius' RWA amounted to EUR 65,095 million as at the end of 2021, an increase of EUR 5,786 million compared with EUR 59,309 million as at the end of 2020. This increase is mainly driven by strong growth in commercial activities, still coupled with good credit quality indicators and more stringent regulatory decisions. The RWA for the Danish Compromise increased by EUR 232 million to EUR 9,623 million as at the end of 2021, due mainly to an increase of the equity value of Belfius Insurance.

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 that performed for the capital estimates, the provisions are expressed as point-in-time estimates.

The pro-active management of the ECL relies on the cost of risk ("**CoR**") metric. The CoR approach follows a waterfall principle in Belfius. The provisions for Stage 1 & 2[3] are calculated in a mechanical mode, based on a view on the macro-economic conditions (past and future) (pillar 1). If Belfius Bank considers that certain risk pockets, defined in terms of sectors or groups of companies, are not sufficiently covered by the mechanical provisions, certain expert overlays are added (pillar 2). If, additionally, the assessment of certain individual 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 normal impairment process is run and specific provisions are calculated and booked (pillar 4).

In 2020, the application of the above-mentioned provisioning logic resulted in a CoR of EUR 453 million, of which a COVID-19 driven overlay of EUR 331 million was the most significant contributor, to cover for potential credit risk impacts, especially in the business and corporate segments. In 2021, the CoR came down to a net reversal of EUR 1 million. The main drivers were the release of the COVID-19 buffer for an amount of EUR 115 million (mainly reflecting improving macro-economic conditions (+EUR 68 million) and a re-assessment of the potential COVID-19 effects on the loan portfolio (+ EUR 47 million)) and a still moderate allowance for defaulted loans of EUR 77 million. Even if the expected impact of COVID-19 effects did not (yet) materialize, uncertainties remain in respect of the sanitary situation and the geopolitical and second round effect levels (e.g. the surge in energy prices, the effects of higher inflation, the scarcity of resources and labour capacity in several industries), leading Belfius to proactively keep a substantial ECL buffer to cover potential future losses. Furthermore, the best practices identified during the detailed screening on the loan portfolios performed at the start and along the COVID-19 crisis have been structurally embedded into the risk-based monitoring framework. For further information, please also refer to the risk factor entitled "*The COVID-19 pandemic may have an adverse impact on the Issuer's business activities*".

While risk across borrower classes currently remains relatively low, certain categories of loans are subject to higher scrutiny. In particular, the NBB has expressed concern with regard to the lending standards of mortgage loans on the buy-to-let and 'younger first-time buyers' segments for which close monitoring is performed. All in all, the Belgian residential real estate market (outstanding exposure on mortgage loans as at 31 December 2021 stood at a FEAD[4] of EUR 39 billion), represented around 25% of the outstanding loans (expressed in FEAD) to customers within Belfius Bank. Belfius Bank is also closely monitoring its exposures

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

[3] Stage 1: When a loan is originated or purchased, ECLs resulting from default events that are possible within the next twelve months are recognised (12-month ECL) and a loss allowance is established. Stage 2: When a loan is originated or purchased, ECLs resulting from default events that are possible within the next twelve months are recognised (12-month ECL) and a loss allowance is established. Stage 3: When a loan is originated or purchased, ECLs resulting from default events that are possible within the next twelve months are recognised (12-month ECL) and a loss allowance is established.

[4] Full Exposure At Default.

towards commercial real estate as the development of the commercial activities of Belfius Bank is leading to an increase of exposure in this segment.

Traditionally, Belfius assures a key role in the financing of institutions in the Belgian public and social sector (including hospitals, schools, universities and retirement homes). Overall, the public and social sector loans portfolio has always shown high credit standards (average PD at the end of 2021 of 0.10%) and it continues to maintain its very low risk profile, although local authorities remain faced with specific challenges, such as the expected growth of the pension costs related to their statutory staff, the demographic evolution (the ageing population in general and the population growth in the big cities) and social cohesion, and the impact of the tax shift. Another point of attention retaining Belfius' continuous attention is the increasing budget deficits and soaring debts at federal and regional levels, accelerated by the sanitary crisis and the July 2021 floods. For further information on the July 2021 floods, please refer to the section entitled "*Floods in July 2021*" in "*Description of the Issuer*". These negative perspectives are embedded into Belfius' sound risk management principles, striving to find the right balance in order to keep remaining a key strong partner of the public sector. Another attention point lies on the hospital sector, which is heavily impacted by the COVID-19 crisis. Belfius' analysis demonstrated that hospitals are not able to absorb such shocks, mainly driving by low margins observed since years. Thanks to federal government intervention, they were kept afloat in 2021.

Finally, since 2011 Belfius Bank has been engaged in a tactical de-risking of the ex-legacy portfolio. As from 1 January 2017, the remainder of this ex-legacy portfolio has been integrated in Group Center and the remaining securities are being managed in natural run-off. An important component of the ex-legacy portfolio (total notional of Belfius Bank's ex-legacy portfolio as at 31 December 2021 stood at EUR 15.4 billion) is the large outstanding stock of derivatives (total notional of Belfius Bank's ex-legacy derivatives portfolio as at 31 December 2021 stood at EUR 12.7 billion) and bonds composed of long-term inflation linked bonds issued by highly regulated UK utilities and infrastructure companies (total notional as at 31 December 2021 stood at EUR 1.4 billion). The inflation linked nature of these bonds makes them furthermore sensitive to UK real rates[5]. Together with the outstanding stock of derivatives, they could have an important additional capital charge in terms of RWA, as well as an increased need for collateral posting from Belfius Bank which could put Belfius Bank's overall liquidity under pressure in case of a liquidity crisis in the financial markets. The ex-legacy portfolio is constantly followed-up in terms of risks which may be hedged. The possibility to exit the transactions anticipatively (e.g. through unwind, sale and novation) is furthermore regularly reassessed.

In 2021, the rating agencies viewed positively the group's credit quality as reflected by the rating actions taken along the year:

- on 24 June 2021, S&P confirmed the long-term rating of Belfius Bank at A- with Stable outlook;
- on 13 July 2021, Moody's upgraded Belfius Bank's junior senior unsecured (non-preferred senior) debt to Baa1 from Baa2 and the junior senior unsecured MTN rating to (P) Baa1 from (P) Baa2. They also confirmed the long-term rating of Belfius Bank at A1 with Stable outlook;
- on 28 October 2021, Fitch confirmed Belfius Bank's long-term rating at A- with Stable outlook;
- on 16 December 2021, S&P raised the long- and short-term ICRs on Belfius Bank to A/A-1 from A-/A-2, the issue ratings on all outstanding senior instruments to A/A-1 from A-/A-2 and the long-term Resolution Counterparty Rating (RCR) to A+ from A. At the same time, S&P affirmed the short-term RCR and the issue ratings on the hybrid instruments and confirmed that the outlook is stable.

[5] 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).

With respect to the floods that occurred in Belgium in July 2021, Belfius considers that it took pro-active necessary actions. A joint workgroup between the businesses and the risk department, which also involved impacted subsidiaries, has been set up, allowing for a close monitoring of the mortgage portfolios involving Crefius and Belfius Insurance. Out of these assessments, the impact in terms of credit risk appears to be relatively limited, both in credit exposure and in number of affected clients. This conclusion is backed-up by the observed limited number of flood-driven payment moratoria and liquidity support loans granted. For further information on the July 2021 floods, please refer to the section entitled "*Floods in July 2021*" in "*Description of the Issuer*".

*Changes in (future) profitability may have an adverse effect on the Issuer*

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

Changes in the profitability and changes in the expectations about the future profitability can influence the secondary market value of Belfius Bank's liabilities. Though 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.

Besides the general economic and competitive climate, monetary policy is among the most important factors determining bank profitability. By influencing the level of the interest rates and the shape of the interest rate curve, the ECB impacts in an important way the net interest rate margin ("**NIM**") of commercial banks, like Belfius Bank. This NIM contains the bank's revenues from its normal lending and borrowing activity and for Belfius Bank it constitutes a non-negligible part of the overall income. By making interest rates negative and by massively buying government bonds, the ECB exerted in 2021 a negative pressure (with yield curve up to 10 years negative for most of the year) on Belfius' NIM. Moreover, the interest rates that Belfius Bank had to pay on its regulated deposits could not go negative, accounting for the 0.11% floor. This constituted a cost for Belfius Bank, as retail deposits are an important source of funding. In this context, the net interest income has been further subject to downwards pressures. However, sound management of interest rate risks to protect the net income against low interest rate, a solid diversified growth in the loan book and additional measures taken by the monetary policy authority (TLTRO) have significantly mitigated these risks. At the opposite, Belfius notes that a 50 bps increase of interest rates has an estimated positive impact on net interest income (before tax) estimated at end of 2021 of around EUR 31 million for the next book year and an estimated cumulative effect of EUR +192 million over a three year period, would the rate increase materially in the future. Belfius is already actively managing its strategy on a pro-active manner, based on a structural scenario approach, accounting for impacts at economic value of equity and its measure of change (e.g. basis point value, earning at risk and value at risk estimates) in order to take appropriate measures in a timely manner (e.g. review of the hedging framework, updates of the replicating portfolios assumptions, etc.).

A well-designed strategy based on a bank-insurance risk model, the revenue diversification coupled with increased focus on loans risk-based pricing and efforts towards greater efficiency gains underpinned a strong profitability in 2021. In 2021, the consolidated return on normative regulatory equity amounted to 11.8% compared to 6.7% in 2020 (including the extraordinary impact of the COVID-19 crisis on the cost of risk) and 8.8% in 2019.

*The Issuer is subject to fluctuations caused by market risks*

Market risks are inherent to a range of Belfius Bank's businesses. Aside from the interest rate risk, which is specified in the risk factor entitled "*Changes in (future) profitability may have an adverse effect on the Issuer*", Belfius Bank is particularly sensitive to profit and loss volatility stemming from value adjustments (xVA's) and credit derivatives. Those are mostly related to the ex-legacy portfolio described above.

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

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

The market risk teams reacted promptly to the COVID-19 crisis by developing new detection and monitoring tools and by taking actions to protect the profit and loss and solvency. The COVID-19 crisis was particularly hard for market risk management (counterparty credit spreads (translated into fair value through profit and loss via credit value adjustment ("**CVA**")) generated huge equity drops, equity volatility, interest rate and foreign exchange swings). Starting the first week of the COVID-19 crisis, actions were taken to further reduce the credit spread sensitivity. The other remaining risk sensitivities, although well within internal limits at the beginning of the crisis, were reduced to a maximum extent. Permanent monitoring between risk management and front office was put in place, including intraday estimates of risks and results as well as a daily reporting to the Management Board. The actions taken throughout the year 2020 led to the implementation of new limits to align with the Management Board's risk appetite, significant improvement of sensitivity analysis (including cross-effects) and proposal for new hedges. These measures appeared very effective following market turmoil resulting from the Russian invasion in Ukraine, limiting the impact on Belfius' portfolio.

At the end of 2021, the CVA RWA decreased by EUR 61 million compared to the end of 2020 due to active management of counterparty credit risk, including the de-risking of legacy credit derivatives, the unwinding of uncollateralised swaps with financial counterparts and an increased use of CCP clearing. At the end of 2021, the market RWA amounted to EUR 1.36 billion, of which EUR 1.0 billion calculated in the internal model and EUR 0.36 billion following the standardised approach.

*The Issuer's business activities are subject to non-financial risks, including operational, reputational, compliance and legal risks*

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

NFR management is growing in importance given evolutions of risks and threats (VUCA world) combined with an ambitious business strategy. Furthermore, since March 2020, Belgium has been severely affected by the COVID-19 crisis, which has led to national confinements and the massive and long-term use of teleworking. Moreover, Belfius has committed itself to providing financial support to individuals and companies for getting through the crisis. All these measures have led to adapted working methods and processes, but also to a changed environment in which Belfius operates and to which Belfius reacts in line with several key objectives (protecting health of clients and collaborators, activity continuity, communication process, improvement of NFR tooling framework, update of the Risk Appetite Framework ("**RAF**") with new and actionable key risk indicators ("**KRIs**")). During this crisis, Belfius evidenced operational resilience and successful crisis management thanks to a pro-active approach based on risk analyses and scenarios. In summary, while NFR have been part of Belfius' risk management for many years, the efforts for integrating the NFR culture in Belfius have been paying off in 2020 and 2021: the COVID-19 crisis has actually been a life stress test for NFR, where Belfius has shown its

resilience to a combination of multiple operational risks, including IT (security), human capital, business continuity, fraud, cyber and outsourcing risks.

Focusing on specific domains:

- Information security: The purpose of information security is to protect Belfius' information generated by the business, the information belonging to its clients and 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 protect Belfius against these threats and to manage the risks linked to the consequences of these threats. The overall strategy includes Belfius' vision on people and technological and procedural aspects of information security. In order to guarantee the information security, the Information Security Steering ("**ISS**") Committee, hosted by the Chief Information Security Officer ("**CISO**") and chaired by the Chief Risk Officer ("**CRO**"), ensures a well governed and coordinated strategy whereby an adequate system of "prevention", "detection", "protection" and "reaction" is put in place, in line with regulatory requirements and contractual agreements regarding information security. The steering of Belfius' information security relies on tangible figures and quantitative statements. A risk appetite framework is in place for information security, and deviations from this risk appetite are systematically challenged and action plans are put in place. Moreover, large security projects are grouped together in a security roadmap which typically spans the course of two years. The ISS regularly reviews the maturity of the information security awareness via the KRIs in the RAF and via regular updates in the form of dashboards.

- Incident management: This relates to threats against data and information are their loss of integrity, their loss of confidentiality and their unplanned unavailability. The mission of information security is to guard against these threats. Belfius has a framework applicable to all actions pertaining to information security. Belfius Bank's RAF monitors and supports the information security strategy. It includes qualitative statements and quantitative KRIs explicitly related to information security stipulating how Belfius wants to meet the highest standards of information security (e.g. the 'Be Aware' and 'Be Resilient' metrics). Also, the systematic collection and control of data on operational incidents is one of the main requirements of the Basel Committee regarding operational risk management. The reporting mechanisms ensure that the responsible parties are notified quickly when incidents occur. Major incidents are investigated thoroughly and are reported to the CRO and the Management Board. Such incidents are also subject to specific action plans and appropriate follow-up. In 2021, the main areas of operational losses were essentially due to incidents associated with external fraud and incidents in relation to execution, delivery and process management for which prompt actions have been put in place. Other categories remain limited in amount, but not necessarily in number of events. The most important part of the financial impact resulting from operational incidents comes from Belfius Bank's retail business.

- Data privacy: The respect for privacy and the protection of personal data is a key commitment at Belfius and is reinforced by Belfius' commitment under the governance component of its ESG-strategy. This is communicated externally by means of Belfius' privacy charter. Internally, this is translated into a privacy policy and corresponding guidelines, a sound internal governance and principles to be followed in respect of the General Data Protection Regulation ("**GDPR**"). Belfius is also very committed to avoid personal data breaches and to manage any incident as quickly as possible. All activities dealing with personal data are centrally documented by the business lines in a privacy register. GDPR conformity, including a risk assessment for the rights and freedom of the persons whose personal data are treated, is structurally integrated into every approval process to offer (existing, adapted and new) products, innovative digital tools, services and information sharing to its clients. In order to continuously guarantee data privacy within Belfius, a dedicated steering related to GDPR meets on a regular basis. Belfius' management and several committees are informed on a recurring basis about GDPR conformity within Belfius. A global risk

appetite framework is in place for data privacy, and deviations from this risk appetite are challenged and, if needed, lead to mitigation actions. A network of privacy correspondents, active in each department, supports and advises the staff members in the first line regarding GDPR. They work closely with the DPO (Data Privacy Officer) to continuously raise awareness, control and monitor processes and activities being in line with GDPR. In this context, GDPR-awareness is passed on to all staff members via mandatory GDPR e-learnings and via an extensive communication. E-learning is subject to a three-yearly cycle of repetition and the response rate is now monitored and reported in a KRI as part of the RAF. GDPR data subject rights can be executed by data subjects via multiple channels, including Belfius' online applications and mobile apps. In 2021, more than 98% of the data subject rights are asked via Belfius' online app and receive 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). It is therefore monitoring the threats continuously and is managing fraud risk based on a global anti-fraud policy defined and steered by senior management. The roles and responsibilities have been clearly defined, which implies concretely that business and support lines are the first risk managers. The CRO and NFR team, including the anti-fraud officer as expert, have a second line of defence role, completed by internal audit as the third line of defence. In a context of evolving digital channels and faster payments processing, internal controls are continuously screened to prevent fraud in order to protect the interests of Belfius and its employees, customers, suppliers and other stakeholders.

- Outsourcing risk: Belfius tries managing outsourcing and third-party risk 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 the appointment of the outsourcing function and the set-up of the Outsourcing Management (steering) Committee, whose mission consists in ensuring a well governed and coordinated outsourcing in line with Belfius' strategy, risk appetite and regulatory requirements. Monitoring and control of the significant providers, in particular to whom personal data is transferred, has been sharpened within the three lines of defence.

- Physical security & workplace safety: Belfius has a very low appetite for these risks and it strives to provide a secure environment to its staff, clients, visitors and assets by ensuring that physical security measures and procedures meet high standards. To reach this goal, a Security Steering Committee systematically monitors the overall situation by means of a dashboard. It also acts as a forum to reflect on actual incidents and on action plans to reduce the risk to acceptable levels whenever needed. In this context, the floods in Belgium in July 2021 impacted a limited number of branches. Belfius' top priority was ensuring safety of its employees in the impacted agencies. They were all pro-actively evacuated and (psycho-)assistance was also available. Next, security systems in the branches were disabled. A workaround with the private security firms was created, ensuring frequent visits from security officers at the impacted agencies. Finally, in the five agencies that were closed, a secured transport was organised in order to retrieve funding from the ATMs and of other values, if present. The clients with a safe deposit box in these agencies were all contacted to open it, check for any damage and, if this was the case, lay down an insurance claim. For further information on the July 2021 floods, please refer to the section entitled "*Floods in July 2021*" in "*Description of the Issuer*".

- 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. In this context, Belfius is continuously evaluating and reviewing its compliance framework to

remain in line with the latest regulatory evolutions, best practices in the market and the strategy of Belfius Bank. In 2021, important progress was made with the implementation of new technologies relying on artificial intelligence, machine learning and robotics techniques in order to further increase the efficiency of the internal control process. 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.

If any of the above risks materialise, this may have an adverse impact on Belfius' business, results of operations, financial condition and prospects.

*The Issuer is subject to risks affecting its liquidity*

Liquidity risk consists of the risk that Belfius Bank will not be able to meet both expected and unexpected current and future cash-flows and collateral needs.

The 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 the collateral that is to be deposited at counterparties as part of the CSA framework for derivatives and repo transactions (so called cash & securities collateral);
- the value of the liquid reserves by virtue of which Belfius Bank can collect funding on the repo market and/or from the ECB;
- the capacity to obtain interbank and institutional funding;
- the concentration risk of funding sources, counterparties and maturities.

The monitoring of the liquidity risk is done through internal and regulatory liquidity KRIs 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 3-month horizon), the short and long-term liquidity risks are managed, respectively, by means of the regulatory liquidity coverage ratio ("**LCR**") – 1-month horizon and the net stable funding ratio ("**NSFR**" – 1 year).

During 2021, Belfius preserved its diversified liquidity profile by maintaining a funding surplus with the commercial balance sheet, by continuing to obtain diversified long-term funding from institutional investors and by collecting short and medium-term deposits also from institutional investors. Belfius Bank participated in the ECB TLTRO III funding program for an amount of EUR 15.7 billion with the purpose to finance investment needs of small and medium-sized enterprises ("**SMEs**"), social sector and retail clients (mortgage loans excluded). At the end of 2021, Belfius Bank reached a twelve-month average LCR of 195%. The LCR of Belfius Bank has remained within its driving range during 2021 with a strong increase after the participation in the TLTRO. The NSFR, based on the binding CRR2 rules and calculated according to EBA templates, stood at 136% at end of 2021.

The driving factors behind these sources of liquidity risk are to a certain extent beyond the control of Belfius Bank as they are linked to the evolution of the financial and interbank markets, and to the banking regulations. As the funds collected from retail and other clients constitute an important share of Belfius Bank's liabilities, adverse market events, such as unexpectedly strong and lasting increase in interest rates, may trigger changes

in the behaviour of Belfius Bank's clients in such a way that liquidity risk actually materialises despite Belfius Bank's prudent liquidity management. Further to this, and related to the ex-legacy portfolio, collateral outflows linked to Belfius Bank's large outstanding stock of derivatives and bonds composed of long-term inflation linked bonds issued by highly regulated UK utilities and infrastructure companies may arise, depending on the movement of the UK real interest rate. This risk is closely monitored by Belfius Bank.

Belfius Bank manages its liquidity with a view to comply with internal and regulatory liquidity ratios. In addition, limits are defined for the balance sheet amount that can be funded over the short term and on the interbank market. These limits are integrated in the RAF approved by the Board of Directors and reported on a quarterly basis. Available liquidity reserves also play a key role regarding liquidity: at any time, Belfius Bank ensures it has sufficient quality assets to cover any temporary liquidity shortfalls, both in normal markets and under stress scenarios. Belfius Bank defined specific guidelines for the management of LCR eligible bonds and non-LCR eligible bonds, both approved by the Management Board. Given its solid liquidity position, Belfius' funding plan is more than ever driven by MREL requirements rather than by an expected liquidity shortfall. In this context, in 2021 Belfius issued EUR 0.5 billion senior preferred bonds, EUR 0.5 billion senior non-preferred bonds and EUR 0.5 billion Tier 2 instruments. Aside from the liquidity benefit, these issuances will enable Belfius to further contribute to the MREL requirements.

*The Issuer is subject to competition from existing as well as new market players*

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 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.

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, 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 ST exercise, results of transversal EBA benchmarking assessment, etc.).

## RISK FACTORS SPECIFIC TO THE NOTES

### Risks related to all Series of Notes

*The Issuer is not prohibited from issuing further debt (which may rank pari passu with or senior to the Notes), and may be required to do so because of regulatory requirements, and any future debt may be on better terms than the Notes*

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to, or *pari passu* with, the Notes. The issue of any such debt or securities may reduce the amount recoverable by investors upon the Issuer's insolvency. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including reduction of interest and principal and, if the Issuer were to be liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

The Issuer may be required to issue additional debt because of regulatory requirements. In order to make the bail-in power under the BRRD (as described above) effective, credit institutions (including the Issuer) must at all times meet a minimum requirement for own funds and eligible liabilities ("**MREL**") so that there is sufficient capital and liabilities available to stabilise and recapitalise failing credit institutions.

*Bail-in of senior debt and other eligible liabilities, including the Senior Notes, and write-down or conversion of tier 1 and tier 2 capital instruments, including the Subordinated Notes*

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 resolution authority of the "bail-in" resolution tool (including the statutory loss absorption tools). 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.

The Relevant Resolution Authority has the power to bail-in (i.e., write down or convert) more subordinated debt, if any (such as the claims of Eligible Creditors of the Issuer) and senior debt (such as the Senior Notes), after having written down or converted Tier 1 capital instruments and Tier 2 capital instruments (such as the Subordinated Notes). The bail-in power will enable the national resolution authority to recapitalise a failing institution by allocating losses to its shareholders and unsecured creditors (including the Noteholders) in a manner which is consistent with the hierarchy of claims in insolvency of a relevant financial institution. Under such hierarchy, the Senior Non-Preferred Notes would be written down or converted before the Senior Preferred Notes. 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, the national resolution authority will be able to exercise its bail-in powers if the following (cumulative) conditions are met:

(a) the determination that Belfius Bank is failing or is likely to fail has been made by the relevant regulator, which means that one or more of the following circumstances are present:

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

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

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

(iv) Belfius Bank requests extraordinary public financial support,

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

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

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

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

*MREL/TLAC Disqualification Event and Capital Disqualification Event: substitution, variation or redemption at the option of the Issuer*

If specified as being applicable in the relevant Final Terms, then following a MREL/TLAC Disqualification Event (in case of Senior Notes) or following a Capital Disqualification Event (in case of Subordinated Notes), the Issuer may, at its sole discretion and without the consent of the Noteholders, either substitute the relevant Notes, or vary their terms, so that they become or remain Qualifying Securities (see Condition 6(d) (*Senior Notes and Subordinated Notes: Substitution and Variation*)). If the Issuer has not opted to substitute or vary the Senior Notes or the Subordinated Notes (as the case may be) in accordance with the Terms and Conditions of the Notes following a MREL/TLAC Disqualification Event (in case of Senior Notes) or a Capital Disqualification Event (in case of Subordinated Notes) (if specified as being applicable in the relevant Final Terms), the relevant Notes may be redeemed early (in whole but not in part) at the Issuer's sole option at a price that can be lower than the price at which the Notes were purchased. Please also see "*The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions*".

The exercise of these rights by the Issuer may have an adverse effect on the position of holders of the Notes, although Qualifying Securities need to be securities issued by the Issuer that have terms not materially less favourable than the terms of the substituted notes (and the Issuer will be required to have delivered to the Agent a certificate to that effect signed by two directors of the Issuer).

While the substitution or variation of the Notes, if any, will be the same for all holders of Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes, some holders may be more impacted than others. In addition, the tax and stamp duty consequences of holding any such substituted notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding such Notes prior to such substitution. Please also see "*Tax laws of the investors' jurisdictions and of the Issuer's jurisdiction may have an impact on the value and liquidity of, and return on, the Notes*".

*The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions*

The Issuer may have an optional redemption right, in its sole and full discretion, in the circumstances and subject to the conditions set out in Condition 3(c) (*Redemption at the Option of the Issuer*), Condition 3(d)

(*Redemption upon the occurrence of a Capital Disqualification Event*), Condition 3(e) (*Redemption upon the occurrence of a Tax Event*) and Condition 3(f) (*Redemption of Senior Notes upon the occurrence of a MREL/TLAC Disqualification Event*).

The Issuer's ability to redeem the Notes at its option may affect the market value of the Notes. In particular, during any period when the Issuer has the right to elect to redeem the Notes or the market anticipates that redemption might occur, such as when the Issuer's cost of borrowing is lower than the interest rate on the Notes, the market value of the Notes generally would not be expected to rise substantially above the redemption price.

If the Issuer redeems the Notes in any of the circumstances mentioned above, 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, in which case Noteholders may only be able to reinvest the redemption proceeds in securities with a lower yield.

*Credit ratings may not reflect all risks and a credit rating reduction may result in a reduction in the trading value of the Notes*

The Issuer has been and the Notes may be assigned a credit rating by one or more independent credit rating agencies. Where applicable, the expected credit ratings of the Notes will be set out in the Final Terms of the relevant Series of Notes. Other Series of Notes may be unrated and one or more credit rating agencies may assign unsolicited additional credit ratings to the Notes.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

There is no guarantee that any ratings will be assigned and/or maintained. The ratings (including any unsolicited ratings) may furthermore not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors (including a change of control affecting the Issuer) that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the relevant rating agency at any time.

Finally, any negative change in or withdrawal of a rating assigned to the Issuer could adversely affect the trading price of the Notes, including where this would lead to a negative change in or withdrawal of a credit rating assigned to such Notes.

*There are no events of default (other than in the event of a dissolution or liquidation of the Issuer) allowing acceleration of the Notes if certain events occur*

The Terms and Conditions of the Notes do not provide for events of default (other than in the event of a dissolution or liquidation of the Issuer as provided in Condition 11 (*Events of Default*)) allowing acceleration of the Notes if certain events occur (regardless of whether the Notes qualify as "Green Bonds"). Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will

not have the right of acceleration of principal. The enforcement rights of investors are therefore limited, given that, upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings for the dissolution or liquidation of the Issuer in Belgium.

*Impact of conversion and bail-in powers on listings*

To the extent the Subordinated Notes are written-down or converted or the Senior Notes are bailed-in or converted pursuant to the BRRD or otherwise, the Issuer does not expect any securities issued upon write-down, bail-in or conversion of the Notes to meet the listing requirements of any securities exchange, and the Issuer expects outstanding listed securities to be delisted from the securities exchanges on which they are listed. It is likely that any securities the Noteholders will receive upon the exercise of the write-down, bail-in or conversion power will not be listed for at least an extended period of time, if at all. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the Issuer at the time any securities are issued upon conversion of the Subordinated Notes or the Senior Notes, or the disclosure may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the write-down, bail-in or conversion power. As a result, there may not be an active market for any securities Noteholders may hold after the exercise of the write-down, bail-in or conversion powers.

*Risks related to the liquidity of the Notes*

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

*Risks related to reinvesting risk*

The Noteholders are exposed to the reinvestment risk in several situations. For example, reinvestment risk arises in a declining interest rate environment because Noteholders will only be able to reinvest the principal and/or interest paid to them at lower interest rates compared to the interest rates prevailing at the time they subscribed the Notes. Reinvestment risk can be increased by the fact that Notes may include a redemption at the option of the Issuer (Call Option). If a Call Option is provided to be applicable in the relevant Final Terms, the Issuer may, redeem all or, if so provided, some of the Notes on the date or dates so provided. The Issuer may be expected to redeem Notes among others when its cost of borrowing is lower than the interest rate on the Notes.

*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 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 or, as the case may be, who did not sign the relevant written resolution or provide their electronic consents for the passing of the relevant resolution.

In addition, pursuant to Condition 2(p) (*Benchmark replacement*), if a Benchmark Event occurs, certain changes may be made to the interest calculation and related provisions of the Resettable Notes, Floating Rate Notes and

CMS-Linked Interest Notes as well as 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.

*Tax laws of the investors' jurisdictions and of the Issuer's jurisdiction may have an impact on the value and liquidity of, and return on, the Notes and are subject to changes*

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction and/or in other jurisdictions in which it is required to pay taxes. This Base Prospectus includes general summaries of certain Belgian tax considerations relating to an investment in the Notes issued by the Issuer (see the section headed "*Taxation on the Notes*"). Such summaries may not apply to a particular holder of Notes or to a particular issue and do not cover all possible tax considerations. In addition, the tax treatment may change before the maturity, redemption or termination date of Notes. This may have an impact on the return which a Noteholder receives.

Furthermore, 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 FATCA under US law) or on a supranational level (e.g. EU Financial Transaction Tax) or administrative practice after the date of issue of the 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.

*Reliance on the procedures of the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France, LuxCSD or other Securities Settlement System participants for transfer, payment and communication with the Issuer*

The Notes may be issued in dematerialised form under the Belgian Companies and Associations Code and cannot be physically delivered. The Notes may 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 Notes. The Securities Settlement System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*) and Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and LuxCSD.

Transfers of interests in the 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 Notes.

Neither the Issuer, nor any Agent will have any responsibility for the proper performance by the Securities Settlement System or the Securities Settlement System participants of their obligations under their respective rules and operating procedures.

A Noteholder must rely on the procedures of the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and LuxCSD to receive payments under the Notes. The Issuer nor any Agent will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France or LuxCSD.

**Risks related to particular Series of Notes**

*Risks related to the Senior Notes*

The Senior Notes are intended to be MREL/TLAC-Eligible Instruments under the Applicable MREL/TLAC Regulations.

Currently, global systemically important financial institutions ("**G-SIBs**") have to meet, at all times, a MREL as well as the standard on total loss absorbing capacity ("**TLAC**"), which was set forth in a term sheet (the "**FSB TLAC Term Sheet**") published by the Financial Stability Board (the "**FSB**"). The CRR II and BRRD give effect to the FSB TLAC Term Sheet and modified the requirements for MREL eligibility.

Because of the uncertainty surrounding the interaction between TLAC and MREL, the Issuer cannot provide any assurance that the Senior Notes will be or remain MREL/TLAC-Eligible Instruments. If they are not MREL/TLAC-Eligible Instruments (or if they initially are MREL/TLAC-Eligible Instruments and subsequently become ineligible due to a change in Applicable MREL/TLAC Regulations), then a MREL/TLAC Disqualification Event may occur. Please also see "*The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions*".

*Risks related to Senior Preferred Notes*

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 Issuer arising under or in connection with the Senior-Preferred Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Senior Preferred Note, be deemed to have waived all such rights of set-off, netting, compensation and retention.

*Risks related to Senior Non-Preferred Notes*

The Senior Non-Preferred Notes are Senior Non-Preferred Obligations and are junior to certain obligations

The Issuer's obligations under the Senior Non-Preferred Notes constitute Senior Non-Preferred Obligations within the meaning of Article 389/1, 2° of the Belgian Banking Law (the "**Senior Non-Preferred Law**"). While the Notes by their terms are expressed to be direct, unconditional, senior (*chirographaires*) and unsecured obligations of the Issuer, they nonetheless rank junior in priority of payment to the present and future claims of (a) any unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations and (b) all other present and future claims as may be preferred by laws of general application or otherwise rank in priority to Senior Non-Preferred Obligations in the case of liquidation, which includes Senior Preferred Obligations. The Issuer's Senior Preferred Obligations include all of its deposit obligations, its obligations in respect of derivatives and other financial contracts, its unsubordinated debt securities (including the Senior Notes outstanding as of the date of entry into force of the Senior Non-Preferred Law and after the entry into force of the Senior Non-Preferred Law, the Senior Preferred Notes) and all unsubordinated or senior debt securities issued thereafter that are not expressed to be Senior Non-Preferred Obligations (including the Senior Preferred Notes).

There is no restriction on the incurrence by the Issuer of additional Senior Preferred Obligations. As a consequence, if the Issuer enters into liquidation proceedings, it will be required to pay substantial amounts of Senior Preferred Obligations before any payment is made in respect of the Senior Non-Preferred Notes. Please also see "*The Issuer is not prohibited from issuing further debt (which may rank pari passu with or senior to the Notes), and may be required to do so because of regulatory requirements, and any future debt may be on better terms than the Notes*".

In addition, if the Issuer enters into resolution, its eligible liabilities (including the Senior Non-Preferred Notes) will be subject to bail-in, meaning potential write-down or conversion into equity securities or other instruments, in the order of priority that would apply in liquidation proceedings. Because Senior Non-Preferred Obligations such as the Senior Non-Preferred Notes rank junior to Senior Preferred Obligations, the Senior Non-Preferred Notes would be written down or converted in full before any of the Issuer's Senior Preferred Obligations were written down or converted. Please also see "*Bail-in of senior debt and other eligible liabilities, including the Senior Notes, and write-down or conversion of tier 2 capital instruments, including the Subordinated Notes*".

As a consequence, holders of Senior Non-Preferred Notes bear significantly more risk than holders of Senior Preferred Obligations and could lose all or a significant part of their investments if the Issuer were to enter into resolution or liquidation proceedings.

The terms of the Senior Non-Preferred Notes do not contain covenants

The Terms and Conditions of the Notes place no restrictions on the amount of debt that the Issuer may issue that ranks senior to the Senior Non-Preferred Notes, or on the amount of securities it may issue that rank *pari passu* with the Senior Non-Preferred Notes. The issue of any such debt or securities may impact the amount recoverable by Noteholders upon liquidation of the Issuer. Please also see "*The Issuer is not prohibited from issuing further debt (which may rank pari passu with or senior to the Notes), and may be required to do so because of regulatory requirements, and any future debt may be on better terms than the Notes*".

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

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 Issuer arising under or in connection with the Senior Non-Preferred Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Senior Non-Preferred Note, be deemed to have waived all such rights of set-off, netting, compensation and retention.

Tax Gross-up

Investors should be aware that pursuant to the Terms and Conditions of the Notes there are no gross-up payments of principal in respect of Senior Non-Preferred Notes.

*Risks related to Subordinated Notes*

Holders of Subordinated Notes will be required to absorb losses in the event the Issuer becomes non-viable or if the conditions for the exercise of resolution powers are met

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

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

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

The Issuer's obligations under the Subordinated Notes will be subordinated

As more fully described in the Terms and Conditions of the Notes, the Issuer's obligations under the Subordinated Notes will be unsecured and subordinated and will rank, subject to any obligations which are mandatorily preferred by law (including, without limitation, national laws governing insolvency proceedings of the Issuer):

(a) junior to the claims of all Senior Creditors of the Issuer and Ordinarily Subordinated Creditors of the Issuer;

(b) *pari passu* without any preference among themselves and *pari passu* with the claims of holders of any other obligations or instruments of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 capital of the Issuer; and

(c) senior and in priority to (1) the claims of holders of all classes of share or other equity capital (including preference shares (if any)) of the Issuer, (2) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, and (3) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes.

The Subordinated Notes will generally pay a higher rate of interest than comparable securities that are not subordinated. However, there is an increased risk that an investor in the Subordinated Notes will lose all or some of its investment should the Issuer become insolvent taking into account the ranking of the Subordinated Notes.

In the event of a dissolution or liquidation of the Issuer, payment of the principal amount to a holder of Subordinated Notes will, by virtue of such subordination, only be made after all obligations of the Issuer resulting from unsubordinated claims with respect to the repayment of borrowed money, other unsubordinated rights and claims and higher ranking subordinated claims have been satisfied in full. If any such event occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Subordinated Notes. A holder of Subordinated Notes may therefore recover less than the holders of unsubordinated or prior ranking subordinated liabilities of the Issuer.

According to Article 48(7) of the BRRD2 (as transposed into Belgian law by article 389/1 of the Belgian Banking Law), liabilities resulting from fully or partially recognised own funds instruments (within the meaning of the CRR, and including the Subordinated Notes for so long as they are fully or partially recognised own funds instruments) shall rank junior to all other liabilities. This would entail that, regardless of their contractual ranking, liabilities that are no longer at least partially recognised as an own funds instrument for the purpose of the CRR shall rank senior to any liabilities fully or partially recognised as an own funds instrument. Accordingly, in the event of a liquidation or bankruptcy of the Issuer, the Issuer will, inter alia, be required to pay subordinated creditors of the Issuer, whose claims arise from liabilities that are not or no longer fully or partially recognised as an own funds instrument (within the meaning of the CRR , and which could include some series of Subordinated Notes if they are no longer so recognised) in full before it can make any payments on Subordinated Notes which continue to be partially recognised as own funds instruments at the time of the opening of the liquidation or bankruptcy procedure.

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 Issuer arising under or in connection with the Subordinated Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Subordinated, be deemed to have waived all such rights of set-off, netting, compensation and retention.

Tax Gross-up

Investors should be aware that pursuant to the Terms and Conditions of the Notes there are no gross-up payments of principal in respect of Subordinated Notes.

*Risks related to certain 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 deemed to be 'benchmarks' ("**Benchmarks**") and which may be used to determine the amounts payable under financial instruments or the value of such financial instruments, are the subject of recent and on-going reforms. These reforms may cause Benchmarks to perform differently than in the past, to disappear entirely, or to have other consequences which cannot be predicted.

Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"), subject to certain transitional provisions, applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the European Union. Among other things, the Benchmark Regulation (i) requires Benchmark administrators to be authorised or registered (or, if based outside the European Union, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of Benchmarks of administrators that are not authorised or registered (or, if based outside the European Union, not deemed equivalent or recognised or endorsed).

Pursuant to Article 28.2 of the Benchmark Regulation, the Issuer must produce and maintain robust written plans setting out the actions that it would take in the event that a Benchmark materially changes or ceases to be provided. Reference is made to Condition 2(p) (*Benchmark replacement*) which provides for certain fall-back arrangements if a Benchmark Event occurs.

The Benchmark Regulation could adversely affect any Notes referencing a Benchmark, in particular if the methodology or other terms of the relevant Benchmark are changed in order to comply with the

requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Benchmark. A Benchmark could also be discontinued as a result of the failure by a Benchmark administrator to be authorised or registered (or, if based outside the European Union, to be deemed equivalent or recognised or otherwise endorsed).

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain Benchmarks: (i) discouraging market participants from continuing to administer or contribute to the Benchmark; (ii) triggering changes in the rules or methodologies used in the Benchmark or (iii) leading to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations could have a material adverse effect on the value or and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon a Benchmark.

Investors should consult their own independent advisers and make their own assessment about potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to Notes linked to or referencing a Benchmark.

Following the implementation of any such reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or the Benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of EURIBOR or any other Benchmark, changes in the manner of administration of any Benchmark, or any other Benchmark Event could require or result in an adjustment to the interest calculation and related provisions of the Terms and Conditions as well as the Agency Agreement (as further described in Condition 2(p) (*Benchmark replacement*)), and could result in adverse consequences to holders of any Notes referencing or linked to such Benchmark (including Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes whose interest rates are linked to EURIBOR or any other Benchmark that is or may become the subject of reform). 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.

Condition 2(p) (*Benchmark Replacement*) provides for certain fall-back arrangements in the event that a Benchmark Event occurs in respect of the Original Reference Rate and/or any page on which such Benchmark may be published (or any other successor service) becomes unavailable. Such fallback arrangements include the possibility that the Rate of Interest (or the relevant component part thereof) could be set by reference to a Successor Rate or an Alternative Reference Rate, with the application of an Adjustment Spread (which could be positive, negative or zero), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the new Benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser) and as more fully described at Condition 2(p) (*Benchmark replacement*). However, the Issuer will not be required to implement a Successor Rate or Alternative Reference Rate or any Adjustment Spread or

make any amendments to the Terms and Conditions of any Notes if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in (i) a change in the regulatory classification of the Notes giving rise to a Capital Disqualification Event (in the case of Subordinated Notes) or a MREL/TLAC Disqualification Event (in the case of Senior Notes) and/or (ii) (in the case of Senior Notes) the Relevant Resolution Authority and/or the Lead Regulator treating the next reset date as the effective maturity of the Notes, rather than the relevant Maturity Date. It is possible that the adoption of a Successor Rate or an Alternative Reference Rate, including any Adjustment Spread, may result in any Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form. There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period or Reset Period (as applicable) may result in the Rate of Interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page or, in the case of Reset Notes, the application of the previous reset Rate of Interest for a preceding Reset Period, or for the First Reset Rate of Interest or the application of the Initial Rate of Interest applicable to such Notes on the Interest Commencement Date.

Any such consequences could have a material adverse effect on the value of, and return on, any Notes to which the fall-back arrangements are applicable. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could adversely affect the ability of the Issuer to meet its obligations under the relevant, Notes, such as the Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes (as applicable), or could have a material adverse effect on the value or liquidity of, and the amount payable under, the relevant Notes, such as the Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes (as applicable).

Investors should consider these matters when making their investment decision with respect to the relevant Notes, including Resettable Notes, Floating Rate Notes and CMS-Linked Interest Notes.

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 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 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 Issuer 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 Issuer 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.

*Risks related to Notes which qualify as "Green Bonds" which have a particular use of proceeds identified in the applicable Final Terms*

The applicable Final Terms with respect to an issue of Notes may provide that the Issuer intends to apply an amount equal to the net proceeds of the issue to finance and/or refinance, in whole or in part, loans and investments realised by the Issuer to finance projects and/or assets (the "**Eligible Green Assets**"), as described in the applicable Final Terms and in the Issuer's Green Bond Framework (as defined in the section headed "Use of Proceeds"), such Notes being referred to as "**Green Bonds**".

Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets. Any failure to use the net proceeds of any Green Bonds in connection with green or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused

investors with respect to such Green Bonds, may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets.

In connection with each issue of Green Bonds under the Programme, the Issuer has requested Sustainalytics, a sustainability rating agency, to issue an independent opinion (the "**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 2018 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. The Second Party Opinion is available on the website of the Issuer (https://www.belfius.be/aboutus/en/investors/debt-issuance). The Second Party Opinion and the contents of such website do not form part of, nor are they incorporated into, this Base Prospectus.

No assurance is or can be given to investors by the Issuer, the Arranger, the Dealers or any other person that any projects or uses the subject of, or related to, any Green Bonds 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 so called "**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, the Issuer's Green Bond Framework. The EU Taxonomy Regulation is subject to further development through delegated regulations. The European Commission furthermore published a legislative proposal for a European green bond standard, which provides a common framework of rules for issuers of bonds that voluntarily wish to use the designation of 'European green bond' or 'EuGB' for bonds where the proceeds are used to finance green assets or projects and that pursue environmentally sustainable objectives under the EU Taxonomy Regulation.

There can be no assurance by the Issuer, the Arranger, the Dealers or any other persons that the use of the net proceeds of Green Bonds 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), 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 the Green Bond Framework of the Issuer 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 Bonds, based upon such investigation as it deems necessary.

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

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 the Issuer) which may be made available

in connection with each issue of any Green Bonds and in particular as to whether or not any Eligible Green Assets fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification (including the Second Party Opinion) (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 Bonds, (iii) is not, nor should be deemed to be, a recommendation by the Issuer, the Arranger or the Dealers or any other person to buy, sell or hold Green Bonds 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 Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

Any such event or failure to apply the proceeds of any issue of Green Bonds as described in the Final Terms, any withdrawal of any applicable opinion or certification, any opinion or certification to the effect that the Issuer is not complying in whole or in part with criteria or requirements covered by such opinion or certification or any change to the selection criteria will not result in an event of default under the Notes and may have an adverse effect on the value of the Notes, and may result in adverse consequences for certain investors with portfolio mandates to invest securities to be used for a particular purpose.

Notwithstanding any use of the net proceeds of the Green Bonds identified in the applicable Final Terms, investors should note that (i) such transactions will be fully subject to the CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments, as applicable, and, as such, proceeds from Green Bonds 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 Bonds can be subject to bail-in and write-down or conversion powers and (iii) this will not affect the particular status of such Green Bonds 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 factors entitled "Bail-in of senior debt and other eligible liabilities, including the Senior Notes, and write-down or conversion of tier 1 and tier 2 capital instruments, including the Subordinated Notes", "Risks related to Senior Non-Preferred Notes – The Senior Non-Preferred Notes are Senior Non-Preferred Obligations and are junior to certain obligations" and "Risks related to the Subordinated Notes – The Issuer's obligations under the Subordinated Notes will be subordinated".

*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 the Issuer or the type of Note being issued.

The 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.

**Risks related to the trading markets**

*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.

*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. 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 – domestic or foreign – parties 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 (third party costs).

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

## DOCUMENTS INCORPORATED BY REFERENCE

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

(i) the Terms and Conditions of the Notes set out at pages 45 to 99 of the Base Prospectus dated 5 May 2021 relating to Belfius Bank's EUR 10,000,000,000 Euro Medium Term Note Programme, available on

https://www.belfius.be/about-us/dam/corporate/investors/debt-issuances/emtn-programme/-prospectus-and-supplements-/Belfius%20Bank%20-%202021%20EMTN%20Programme%20-%20Base%20Prospectus.pdf

(ii) the audited consolidated accounts of Belfius Bank for the financial year ended 31 December 2020, including the report of the statutory auditors in respect thereof; available on

https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_RA2020_eng.pdf

(iii) the audited consolidated accounts of Belfius Bank for the financial year ended 31 December 2021, including the report of the statutory auditors in respect thereof; available on

https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2021%20Annual%20Report.pdf

(iv) the disclosure document on "Alternative Performance Measures" for the financial year ended 31 December 2020; available on

https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/bel_APM_2020.pdf

(v) the disclosure document on "Alternative Performance Measures" for the financial year ended 31 December 2021; available on

https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2021%20Alternative%20Performance%20Measures.pdf

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 and the documents incorporated by reference in this Base Prospectus are available on the website of the Issuer (www.belfius.be/about-us/en/investors) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The tables below set out the relevant page references for 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) audit report on the consolidated accounts, (vii) notes to the consolidated financial statements, (viii) non-consolidated balance sheet, (ix) non-consolidated statement of income and (x) audit report on the non-consolidated accounts, as set out in the 2021 and 2020 Annual Reports of Belfius Bank.

Information contained in the documents incorporated by reference other than information listed in the table below does not form part of this Base Prospectus. Such information is either deemed not relevant for investors or is covered elsewhere in this Base Prospectus. To the extent that any document or information which is incorporated by reference in this Base Prospectus itself incorporates any document or information by reference, either express or

implied, such document or information will not form part of this Base Prospectus, except where such document or information is specifically stated to be incorporated by reference in this Base Prospectus or where this Base Prospectus is specifically defined as including such document or information.

The consolidated balance sheet and consolidated statement of income of Belfius Bank for the years 2020 and 2021 can also be found in the section headed "*Selected Financial Information*" on pages 138 to 141 of this Base Prospectus.

**Audited consolidated accounts of Belfius Bank for the financial years ended 31 December 2020 and 31 December 2021**

| | **Belfius Bank SA/NV** | |
|---|---|---|
| | **Annual Report 2020 (English Version)** | **Annual Report 2021 (English Version)** |
| consolidated balance sheet | 194-195 | 238-239 |
| consolidated statement of income | 196 | 240 |
| consolidated statement of comprehensive income | 198-199 | 241-242 |
| consolidated statement of change in equity | 200-204 | 243-247 |
| consolidated cash flow statement | 205-206 | 248-249 |
| notes to the consolidated financial statements | 208-343 | 252-394 |
| audit report on the consolidated accounts | 344-349 | 395-400 |
| non-consolidated balance sheet | 352-353 | 404-406 |
| non-consolidated statement of income | 355 | 407 |

**Alternative performance measures for the financial years ended 31 December 2020 and 31 December 2021**

| | **Belfius Bank SA/NV** | |
|---|---|---|
| | **Alternative performance measures 2020** | **Alternative performance measures 2021** |
| 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 |
| net interest margin | 3 | 3 |
| cost-income ratio | 3 | 3 |
| asset quality ratio | 3 | 4 |
| coverage ratio | 4 | 4 |
| liquidity coverage ratio | 2 | 2 |

| | *Documents incorporated by reference* | |
|---|---|---|
| net stable funding ratio | 2 | 2 |
| return on equity | 4 | 4 |
| total savings and investments | 5 | 5 |
| total loans to customers | 6 | 6 |
| ALM liquidity bond portfolio | 6 | 6 |
| ALM yield bond portfolio | 6 | 6 |
| credit guarantee portfolio | 6 | 7 |
| funding diversification | 7 | 7 |
| adjusted results | 9-10 | 10-11 |

## PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a supplement in accordance with Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus which, once approved by the CSSF in its capacity as the competent authority under the Prospectus Regulation, in respect of any subsequent issue of Notes to be listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange, shall constitute a prospectus supplement in accordance with Article 23 of the Prospectus Regulation.

The Issuer has given an undertaking to the Dealers that if, at any time during the duration of the Programme, there is a significant new factor, material mistake or material inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer, the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer, the Issuer shall prepare a supplement (in accordance with Article 23 of the Prospectus Regulation) to this Base Prospectus or publish a new prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Terms and Conditions of the Notes, save for the paragraphs in italics that shall not form part of the Terms and Conditions of the Notes. In the case of any Series of Notes which are admitted to trading on a regulated market in a Member State, the applicable Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Series of Notes may complete any information in this Base Prospectus.*

References in these terms and conditions (the "**Terms and Conditions**") to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under Belfius Bank's EUR 10,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). All capitalised terms which are not defined in these Terms and Conditions will have the meanings given to them or refer to information specified in Part A of the applicable Final Terms.

The Notes are issued pursuant to (i) an agency agreement dated on or about 3 May 2022 (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Agency Agreement**") between Belfius Bank SA/NV ("**Belfius Bank**" or the "**Issuer**") and Belfius Bank SA/NV in its capacity as fiscal agent for the Notes (in such capacity, the "**Fiscal Agent**", which term shall include such other entity appointed as the Fiscal Agent from time to time pursuant to the terms of the Agency Agreement), and the other agents named in it or appointed from time to time pursuant to the terms thereof and (ii) a service contract concerning the issue of dematerialised bonds dated 16 May 2017 (as amended or supplemented as at the Issue Date, the "**Clearing Services Agreement**") between the Issuer, Belfius Bank SA/NV in its capacity as paying agent for the Notes and the National Bank of Belgium (the "**NBB**"). The paying agents, and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "**Paying Agents**" (which expression shall, unless the context requires otherwise, include the Fiscal Agent), and the "**Calculation Agent(s)**". The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement and the Clearing Services Agreement applicable to them. As used in these Terms and Conditions, "**Tranche**" means Notes which are identical in all respects (or in all respects except for the date for and amount of the first payment of interest).

Copies of the Agency Agreement and the Clearing Services Agreement are available for inspection free of charge at the specified offices of each of the Paying Agents.

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.

### 1 Form, Denomination and Title

The Notes are issued in dematerialised form in the Specified Denomination(s) set out in the applicable Final Terms **provided that** in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation, the minimum Specified Denomination shall be EUR 100,000 and integral multiples of EUR 100,000 (or, in each case, its equivalent in any other currency as at the Issue Date).

In these Terms and Conditions, "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

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 in accordance with the Belgian Companies and Associations Code and will be credited to the accounts held with the Securities Settlement System by Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking Frankfurt ("**Clearstream**"), SIX SIS AG ("**SIX SIS**"), Monte Titoli S.p.A.

("**Monte Titoli**"), Interbolsa S.A. ("**Interbolsa**"), Euroclear France SA ("**Euroclear France**"), LuxCSD S.A. ("**LuxCSD**") or other Securities Settlement System participants for credit by Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France, LuxCSD or other Securities Settlement System participants to the securities accounts of their subscribers.

In these Terms and Conditions, "**Securities Settlement System**" means the settlement system operated by the NBB or any successor thereto.

Transfers of Notes will be effected only through records maintained by the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and LuxCSD or other Securities Settlement System participants and in accordance with the applicable procedures of the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and LuxCSD or other Securities Settlement System participants. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the holder.

In these Terms and Conditions and the applicable Final Terms, "**Noteholder**" means and "**holder**" means in respect of a Note, the person evidenced as holding the Note by the book-entry system maintained in the records of the NBB.

If, at any time, the Notes are transferred to any other clearing system which is not exclusively operated by the NBB (such clearing system an "**Alternative Clearing System**"), these Terms and Conditions shall apply *mutatis mutandis* in respect of such Notes.

## 2 Interest and Other Calculations

*(a) Rate of Interest on Fixed Rate Notes*

(i) **General.** 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 (subject as provided in Condition 2(h)) to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 2(i).

(ii) **Step-Up Notes.** If, in relation to any Fixed Rate Note, the applicable Final Terms specify such Notes as being "**Step-Up Notes**", the Issuer shall on each Interest Payment Date pay interest on such Notes in accordance with Condition 2(a)(i) at a Rate of Interest specified in the applicable Final Terms, **provided that** such Rate of Interest shall be specified in the applicable Final Terms in respect of each Interest Period and shall increase on successive Interest Periods as specified in the applicable Final Terms.

*(b) Rate of Interest on Resettable Notes*

Each Resettable Note bears interest on its outstanding principal amount:

(i) from and including the Interest Commencement Date to but excluding the First Resettable Note Reset Date at the rate per annum (expressed as a percentage) equal to the Initial Rate of Interest;

(ii) at the First Reset Rate of Interest from and including the First Resettable Note Reset Date, to but excluding:

(A) the Second Resettable Note Reset Date, if such a Second Resettable Note Reset Date is specified in the applicable Final Terms; or

(B) the Maturity Date, if no such Second Resettable Note Reset Date is specified in the applicable Final Terms; and

(iii) for each Subsequent Reset Period (if any), at the relevant Subsequent Reset Rate of Interest in respect of such Subsequent Reset Period as specified in the applicable Final Terms,

such interest being payable in arrear on each Resettable Note Interest Payment Date.

The amount of interest payable shall, in each case, be determined in accordance with Condition 2(i).

*(c) Rate of Interest on Floating Rate Notes or CMS-Linked Interest Notes*

(i) **General.** Each Floating Rate Note and CMS-Linked Interest Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in accordance with the provisions below relating to either ISDA Determination or Screen Rate Determination, as specified in the applicable Final Terms. The CMS Rate, the CMS Rate 1 and the CMS Rate 2, as the case may be, in respect of CMS-Linked Interest Notes shall be determined as set out in the definition of CMS Rate, CMS Rate 1 and CMS Rate 2, respectively, in Condition 2(n) below. In each case, the Rate of Interest shall be determined in accordance with the applicable provisions of this Condition 2(c) and the amount of interest payable shall be determined in accordance with Condition 2(i).

(ii) **ISDA Determination.** Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest 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 (ii), "**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) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is as specified in the applicable Final Terms; and

(C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph (ii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(iii) **Screen Rate Determination (Notes other than CMS-Linked Interest Notes).** In relation to Notes other than CMS-Linked Interest Notes, where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided in Condition 2(h) and Condition 2(p) 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. The amount of interest payable shall be determined in accordance with Condition 2(i).

For the purposes of the foregoing (other than for Resettable Notes):

(x) if the Relevant Screen Page is not available or if sub-paragraph (iii)(A) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (iii)(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 Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(y) if paragraph (x) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest 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 Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date or (if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date) or (in the case of the first Interest Period to which a floating Rate of Interest applies under the Fixed to Floating Rate Notes) the last observable rate for the Reference Rate which appeared on the Relevant Screen Page prior to the Interest Determination Date in question (though substituting, in any such case, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest 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 of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

Where the Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the Final Terms as being SONIA, the Rate of Interest for an Interest Accrual Period will, subject as provided in Condition 2(p) (*Benchmark Replacement*), be Compounded Daily SONIA with respect to such an Interest Accrual Period, plus or minus (as indicated in the applicable 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 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest 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 Rate of Interest, as specified in the applicable 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 applicable 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 applicable 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 Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, the Rate of Interest 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 of Interest or Minimum Rate of Interest 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 of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest 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 of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

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

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

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being Compounded Daily €STR, the Rate of Interest for an Interest Accrual Period will, subject as provided in Condition 2(p) (*Benchmark Replacement*), be Compounded Daily €STR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin.

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

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

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 applicable Final Terms, being no less than two TARGET Settlement Days;

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

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

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

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 Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (through substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (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 of Interest and/or Minimum Rate of Interest (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 Rate of Interest 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 of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Notes becomes due and payable in accordance with Condition 11, shall be the date on which such Notes become due and payable).

If the relevant Series of Notes becomes due and payable in accordance with Condition 11, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 2(f).

"**€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.

(bb) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SOFR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being Compounded Daily SOFR, the Rate of Interest for an Interest Accrual Period will, subject as provided in Condition 2(p) (*Benchmark Replacement*), be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the applicable Margin.

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

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

where:

"**d**" is the number of calendar days in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant Observation Period;

"**$d_o$**" is (where in the applicable 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 applicable 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 applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) in the relevant Interest Accrual Period or (where in the applicable 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:

(1) where in the applicable 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 applicable Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days); and

(2) where in the applicable 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;

"$\mathbf{SOFR_{i\text{-}pUSBD}}$" means:

(1) where in the applicable 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

(2) where in the applicable 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 applicable 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

(3) where in the applicable 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 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:

(1) 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;

(2) 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

(3) 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:

(1) 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;

(2) 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;

(3) 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

(4) 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:

(1) 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;

(2) 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

(3) 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.

(cc) Screen Rate Determination for Floating Rate Notes referencing Weighted Average SOFR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being Weighted Average SOFR, the Rate of Interest for an Interest Accrual Period will, subject as provided in Condition 2(p) (*Benchmark Replacement*), be Weighted Average SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin.

"**Weighted Average SOFR**" means, in relation to any Interest Accrual Period, the arithmetic mean of "SOFRi" 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**", "**$d_0$**", "**i**" and "**p**" have the meanings set out under Condition 2(c)(iii)(bb) 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:

(1) where in the applicable 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;

(2) where in the applicable 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 applicable 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

(3) where in the applicable Final Terms "Shift" is specified as the Observation Method, the SOFR on the U.S. Government Securities Business Day i.

(iv) **CMS-Linked Interest Notes.** Where the Notes are specified in the applicable Final Terms to be CMS-Linked Interest Notes, the Rate of Interest for each Interest Period will, subject as provided in Condition 2(p) below, be determined as set out below according to which of the following Reference Rates is specified in the applicable Final Terms as being applicable and:

(A) where "**CMS Reference Rate**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

*CMS Rate + Margin*

(B) where "**Leveraged CMS Reference Rate**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

*Leverage x CMS Rate + Margin*

(C) where "**CMS Reference Rate Spread**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

*CMS Rate 1 – CMS Rate 2 + Margin*

(D) where "**Leveraged CMS Reference Rate Spread**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

*[Leverage x (CMS Rate 1 – CMS Rate 2)] + Margin*

(v) **Margin, Minimum Rate of Interest, Maximum Rate of Interest.** The determination of the Rate of Interest pursuant to Conditions 2(b)(ii) or 2(b)(iii) above shall be subject to the following:

(A) In relation to Notes other than CMS-Linked Interest Notes, if any Margin is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rate of Interest for the specified Interest Accrual Periods, in the case of (y), by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin.

(B) In relation to Notes other than CMS-Linked Interest Notes, if any Leverage is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rate of Interest for the specified Interest Accrual Periods, in the case of (y), by multiplying the rate determined pursuant to Condition 2(c)(ii) or 2(c)(iii), as applicable, and the absolute value of such Leverage.

(C) If any Maximum Rate of Interest is specified, the Rate of Interest shall be the *lesser of* (i) the rate determined in accordance with Condition 2(c)(i), 2(c)(ii), 2(c)(iii) or 2(c)(iv), as applicable, *and* (ii) such Maximum Rate of Interest.

(D) If any Minimum Rate of Interest is specified, the Rate of Interest shall be the *greater of* (i) the rate determined in accordance with Condition 2(c)(i), 2(c)(ii), 2(c)(iii) or 2(c)(iv), as applicable, *and* (ii) such Minimum Rate of Interest.

*(d) Change of Interest Basis - Rate of Interest on Fixed to Floating Rate Notes or Floating to Fixed Rate Notes*

(i) **Fixed to Floating Rate Notes.** If the Notes are specified as "**Fixed to Floating Rate Notes**" in the applicable Final Terms, interest shall accrue and be payable on such Notes:

(A) with respect to the first Interest Period and such subsequent Interest Periods as are specified for this purpose in the applicable Final Terms at a fixed Rate of Interest in accordance with Condition 2(a) and the applicable Final Terms; and

(B) with respect to each Interest Period thereafter, at a floating Rate of Interest in accordance with Condition 2(c) and the applicable Final Terms.

(ii) **Floating to Fixed Rate Notes.** If the Notes are specified as "**Floating to Fixed Rate Notes**" in the applicable Final Terms, interest shall accrue and be payable on such Notes:

(A) with respect to the first Interest Period and such subsequent Interest Periods as are specified for this purpose in the applicable Final Terms at a floating Rate of Interest in accordance with Condition 2(c) and the applicable Final Terms; and

(B) with respect to each Interest Period thereafter, at a fixed Rate of Interest in accordance with Condition 2(a) and the applicable Final Terms.

*(e) Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Zero Coupon Note Redemption Amount (as defined in Condition 3(b)). As from the Maturity Date, the Rate

of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 3(b)).

*(f) Accrual of Interest*

Interest (if any) shall cease to accrue on each Note on the due date for redemption, unless payment of principal is improperly withheld or refused on the due date thereof, in which event interest shall continue to accrue (both before and after judgement) at the Rate of Interest (or, in the case of Resettable Notes, at the First Reset Rate of Interest or (if there is one) at the last Subsequent Reset Rate of Interest, as applicable) in the manner provided in this Condition 2 to the Relevant Date (as defined in Condition 5).

*(g) Business Day Convention*

If any date referred to in these Terms and Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(i) the "**Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day; or

(ii) the "**Modified Following Business Day Convention**", such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) except in the case of the Maturity Date, such date shall be brought forward to the immediately preceding Business Day, and (B) in the case of the Maturity Date, such date shall be the next date on which the Securities Settlement System is open, without adjustment of the Calculation Period.

In relation to Fixed Rate Notes, the Business Day Convention applicable shall always be the Following Business Day Convention.

*(h) Rounding*

For the purposes of any calculations required pursuant to these Terms and Conditions (unless otherwise specified), (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), (ii) all figures shall be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes "**unit**" means, the lowest amount of such currency that is available as legal tender in the country of such currency.

*(i) Calculations for Notes other than Range Accrual Notes*

The amount of interest payable per Calculation Amount in respect of any Note (other than Notes in respect of which "Range Accrual Notes" is specified as being applicable in the applicable Final Terms) for any Interest Accrual Period shall be equal to the product of the Rate of Interest (or, in the case of Resettable Notes, the Initial Rate of Interest, the First Reset Rate of Interest or any Subsequent Reset Rate of Interest), the Calculation Amount specified in the applicable Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless a Fixed Coupon Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Fixed Coupon Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Fixed Coupon Amounts payable in respect of

each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

*(j) Rate of Interest in respect of Range Accrual Notes*

If "**Range Accrual Notes**" is specified as applicable in the applicable Final Terms, the Issuer will pay interest in respect of the Notes on each Interest Payment Date, in an amount determined by the Calculation Agent in respect of the applicable Interest Accrual Period and being an amount per Calculation Amount equal to the Calculation Amount multiplied by the Rate of Interest determined in accordance with the following formula:

*Rate of Interest = Specified Rate* × *Relevant Proportion* × *Day Count Fraction,*

**provided that**: (i) if any Maximum Rate of Interest is specified, the Rate of Interest shall be the *lesser* of the rate determined in accordance with the above formula, and such Maximum Rate of Interest, and (ii) if any Minimum Rate of Interest is specified, the Rate of Interest shall be the *greater* of the rate determined in accordance with the above formula and such Minimum Rate of Interest.

*(k) Fallback Provision for Resettable Notes*

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (other than in circumstances provided for in Condition 2(p)), the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as soon as practically possible on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent in due time with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If only one or none of the Reference Banks provides the Calculation Agent in due time with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 2(k), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined in accordance with the relevant Mid-Swap Rate applicable on the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be calculated on the basis of the relevant Mid-Swap Rate that was published on the second Business Day prior to the Interest Commencement Date.

For the purposes of this Condition 2(k), "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Calculation Agent on the advice of an investment bank of international repute.

*(l) Linear interpolation*

Where linear interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the relevant Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the relevant Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be

determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period; provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this Condition 2(l), "**Designated Maturity**" means, (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity specified in the relevant Final Terms.

*(m) Determination and Publication of Rates of Interest, Interest Amounts and Redemption Amounts*

The Calculation Agent shall, as soon as practicable on each date as the Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation (and, in the case of Resettable Notes, each Reset Determination Date), determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or Reset Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest, the Reset Rate of Interest and the Interest Amounts for each Interest Accrual Period or Reset Period and the relevant Interest Payment Date or Resettable Note Interest Payment Date and, if required to be calculated, the Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period and/or Reset Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest, Reset Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date, Resettable Note Interest Payment Date, Reset Date or Interest Period Date is subject to adjustment pursuant to Condition 2(g), the Interest Amounts and the Interest Payment Date or Resettable Note Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or Reset Period. If the Notes become due and payable under Condition 11, the accrued interest and the Rate of Interest or Reset Rate of Interest payable in respect of the Notes shall, save in the case of Compounded Daily SONIA for the purposes of Condition 2(c)(iii)(z) nevertheless continue to be calculated as previously in accordance with this Condition 2 but no publication of the Rate of Interest, Reset Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount and Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

*(n) Definitions*

In these Terms and Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Centres**" means the cities specified as such in the applicable Final Terms.

"**Business Day**" means (i) in relation to all Notes other than those denominated in euro, a day (other than a Saturday or Sunday) on which (A) commercial banks and foreign exchange markets settle payments in Belgium and (B) commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the currency in which the relevant Notes are denominated and (ii) in relation to Notes denominated in euro, a day (other than a Saturday or Sunday) (A) on which banks and forex markets are open for general business in Belgium and (B) on which the Securities Settlement System is operating and (C) (if a payment in euro is to be made on that day) which is a day

on which the TARGET 2 System is operating (a "**TARGET Business Day**"), and in relation to both (i) and (ii) above, such other day as may be agreed between the Issuer and the relevant Dealer(s) or the Lead Manager on behalf of the relevant Dealers (as the case may be) and specified in the Final Terms.

"**CMS-Linked Interest Notes**" means Notes in respect of which the "Floating Rate Note / CMS-Linked Interest Note Provisions" of Part A of the Final Terms are specified as being applicable in the applicable Final Terms, and which are specified as being CMS-Linked Interest Notes in the applicable Final Terms.

"**CMS Rate**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate in the applicable Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**CMS Rate 1**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate 1 in the applicable Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 1 as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**CMS Rate 2**" shall mean the Relevant Swap Rate for swap transactions, specified as the CMS Rate 2 in the applicable Final Terms, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 2 as at the Specified Time on the Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if

necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**CMS Rates**" means any CMS Rate, CMS Rate 1 and/or CMS Rate 2, as the case may be.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**") (and **provided that** (x) the Day Count Fraction for any Floating Rate Notes denominated in Euro shall be Actual/360 (as defined below) and (y) the Day Count Fraction for any Notes denominated in Euro with a maturity of one year or less shall be Actual/360 (as defined below)):

(i) if "**Actual/Actual**" or "**Actual/Actual-ISDA**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left(360 \times (Y_2 - Y_1)\right) + \left(30 \times (M_2 - M_1)\right) + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and $D_1$, is greater than 29, in which case $D_2$ will be 30;

(v) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left(360 \times (Y_2 - Y_1)\right) + \left(30 \times (M_2 - M_1)\right) + (D_2 - D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case $D_2$ will be 30;

(vi) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\left(360 \times (Y_2 - Y_1)\right) + \left(30 \times (M_2 - M_1)\right) + (D_2 - D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February or (B) 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 Calculation Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case $D_2$ will be 30;

(vii) if "**ACT/ACT-ICMA**" is specified in the applicable Final Terms,

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation 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

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation 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 Calculation 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 or the Resettable Note Interest Payment Date (as the case may be) and, assuming no Broken Amounts are payable, the Interest Commencement Date.

"**Designated Maturities**" means the time period specified as such in the applicable Final Terms.

"**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 (details of historic EURIBOR rates can be obtained from the designated distributor).

"**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.

"**First Margin**" means the margin specified as such in the applicable Final Terms.

"**First Reset Period**" means the period from (and including) the First Resettable Note Reset Date until (but excluding) the Second Resettable Note Reset Date, or if no such Second Resettable Note Reset Date is specified in the applicable Final Terms, the Maturity Date.

"**First Reset Rate of Interest**" means, subject to Condition 2(k) above, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date (being the date that is the second Business Day prior to the First Resettable Note Reset Date) as the sum of the relevant Mid-Swap Rate plus the First Margin, with such sum being converted to a basis which matches the per annum frequency of Interest Payment Dates in respect of the Notes.

"**First Resettable Note Reset Date**" means the date specified as such in the applicable Final Terms.

"**Fixed Rate Notes**" means Notes in respect of which the "Fixed Rate Note Provisions" in Part A of the Final Terms are specified as being applicable in the applicable Final Terms.

"**Floating Rate Notes**" means Notes in respect of which the "Floating Rate Note / CMS-Linked Interest Note Provisions" of Part A of the Final Terms are specified as being applicable in the applicable Final Terms, and which are specified as being Floating Rate Notes in the applicable Final Terms.

"**Initial Rate of Interest**" means the rate of interest per annum specified as such in the applicable Final Terms.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning

on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes or Resettable Notes, shall mean the amount calculated in accordance with Condition 2(i) or the Fixed Coupon Amount or Broken Amount (if any) specified in the applicable Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as such in the applicable Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling (and the Reference Rate is other than SONIA) or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Payment Date**" means each date specified as an Interest Payment Date(s) in the applicable Final Terms (each such date a "**Specified Interest Payment Date**") or, if no Specified Interest Payment Date(s) is/are set out in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period set out in these Terms and Conditions or the applicable Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) and each successive period beginning on (and including) an Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) and ending on (but excluding) the next succeeding Interest Payment Date or Resettable Note Interest Payment Date (as the case may be).

"**Interest Period Date**" means each Interest Payment Date or Resettable Note Interest Payment Date unless otherwise specified in the applicable Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (including "Amendments to the 2006 ISDA Definitions to include new IBOR fallbacks" – Supplement number 70 to the 2006 ISDA Definitions).

"**Leverage**" means the value or number specified as such in the applicable Final Terms.

"**Lower Barrier**" has the value specified as such in the applicable Final Terms.

"**Margin**" means the percentage rate specified as such in the applicable 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 Rates of Interest, in the case of sub-paragraph (x) of paragraph (A), or the Rate of Interest 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 maturity date specified as such in the applicable Final Terms.

"**Maximum Rate of Interest**" means a percentage value specified as such in the applicable Final Terms.

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the basis of the Day Count Fraction specified in the applicable Final Terms as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Resettable Note Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the basis of the Day Count Fraction specified in the applicable Final Terms as determined by the Calculation Agent).

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate.

"**Mid-Swap Floating Leg Benchmark Rate**" means the benchmark rate as specified in the applicable Final Terms.

"**Mid-Swap Maturity**" means as specified in the applicable Final Terms.

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 2(k) above, either:

(i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Resettable Note Reset Date,

which appears on the Relevant Screen Page; or

(ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Resettable Note Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent.

"**Minimum Rate of Interest**" means a percentage value specified as such in the applicable Final Terms.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of any Note and (i) in respect of Fixed Rate Notes, shall be the percentage rate specified in the applicable Final Terms or (ii) in

respect of Notes other than Fixed Rate Notes, shall be the rate calculated in accordance with the applicable provisions of this Condition 2.

"**Redemption Amount**" means (i) Zero Coupon Note Redemption Amount, (ii) Final Redemption Amount, (iii) Redemption Amount (Call), (iv) Tax Event Redemption Amount, (v) Capital Disqualification Event Early Redemption Price, (vi) Event of Default Redemption Amount or (vii) MREL/TLAC Disqualification Event Early Redemption Price.

"**Reference Banks**" means (i) in relation to Notes other than CMS-Linked Interest Notes and Resettable Notes and 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 applicable Final Terms, and (ii) in relation to CMS Rates, means (A) where the Reference Currency is Euro, the principal Eurozone office of five leading swap dealers in the inter-bank market, (B) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (C) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (D) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Calculation Agent.

"**Reference Currency**" means each currency specified as such in the applicable Final Terms.

"**Reference Rate**" means, in relation to any Notes other than CMS-Linked Interest Notes, the rate specified as such in the applicable Final Terms in respect of the currency and period specified in the applicable Final Terms, and in relation to any CMS-Linked Interest Notes, the relevant CMS Rate(s).

"**Relevant Proportion**" shall be calculated by *dividing* (i) the number of days during the relevant Interest Accrual Period on which the Reference Rate is less than or equal to Upper Barrier and greater than or equal to the Lower Barrier, *by* (ii) the total number of days during the applicable Interest Accrual Period.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms, or any successor thereto or replacement page commonly accepted in the market, as determined by the Calculation Agent.

"**Relevant Swap Rate**" means:

(i) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating Euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a Designated Maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a Designated Maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a Designated Maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a Designated Maturity of three months; and

(iv) where the Reference Currency is any other currency, the mid-market swap rate as determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

"**Relevant Time**" means the time as of which any rate is to be determined as specified in the applicable 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.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Reset Determination Date**" means, (i) in respect of the First Reset Period, the second Business Day prior to the First Resettable Note Reset Date, (ii) in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Resettable Note Reset Date and, (iii) in respect of each Reset Period thereafter, the second Business Day prior to the first day of each such Reset Period.

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period.

"**Reset Rate of Interest**" means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable.

"**Resettable Note Interest Payment Date**" means each date specified as such in the applicable Final Terms.

"**Resettable Note Reset Date**" means the First Resettable Note Reset Date, the Second Resettable Note Reset Date and every Subsequent Resettable Note Reset Date as may be specified as such in the applicable Final Terms.

"**Reuters Screen**" means, when used in connection with a designated page and any designated information, the display page so designated on the Reuter Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying such information).

"**Second Resettable Note Reset Date**" means the date specified as such in the applicable Final Terms.

"**Specified Currency**" means the currency specified as such in the applicable Final Terms.

"**Specified Rate**" shall be the percentage rate specified as such in the applicable Final Terms.

"**Subsequent Margin**" means the margin(s) specified as such in the applicable Final Terms.

"**Subsequent Reset Period**" means the period from (and including) the Second Resettable Note Reset Date to (but excluding) the next Resettable Note Reset Date, and each successive period from (and including) a Resettable Note Reset Date to (but excluding) the next succeeding Resettable Note Reset Date.

"**Subsequent Resettable Note Reset Date**" means the date or dates specified as such in the applicable Final Terms.

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 2(k) above, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date (being, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Resettable Note Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of such Subsequent Reset Period) as the sum of the relevant Mid-Swap Rate plus the applicable Subsequent Margin, with such sum being converted to a basis which matches the per annum frequency of Interest Payment Dates in respect of the Notes.

"**TARGET 2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

"**Upper Barrier**" has the value specified as such in the applicable Final Terms.

"**Zero Coupon Notes**" means Notes which do not bear any interest (but which are issued at a discount to the principal amount of the Notes), and in respect of which the "Zero Coupon Note" provisions in Part A of the Final Terms are specified as being applicable in the applicable Final Terms.

*(o) Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Terms and Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Terms and Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount or the Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

*(p) Benchmark replacement*

In addition, notwithstanding the other provisions in this Condition 2, if the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Original 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 an Independent Adviser 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 Rate of Interest (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 an Independent Adviser prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 2(p);

(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 Original Reference Rate for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 2(p));

(iv) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or Alternative Reference Rate (as applicable). If the Issuer, following consultation with the Independent Adviser (if any) 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;

(v) if the Issuer, following consultation with the Independent Adviser (if any), 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 and/or the Agency Agreement in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread, including but not limited to (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Reset Determination Date and/or the definition of Original Reference Rate applicable to the Notes and (B) the method for determining the fall-back rate in relation to the Notes. 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 2(p). 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

(vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread, give notice thereof to the Calculation Agent, the Fiscal Agent and, in accordance with Condition 8, the Noteholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the applicable Adjustment Spread and any consequential changes made to the Agency Agreement and these Terms and Conditions (if any),

*provided that* the determination of any Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread and any other related changes to the Notes, shall be made in accordance with the relevant Applicable Banking Regulations (if applicable).

An Independent Adviser appointed pursuant to this Condition 2(p) 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 2(p).

Notwithstanding any other provision in this Condition 2(p), no Successor Rate or Alternative Reference Rate (as applicable) and, in either case, the applicable Adjustment Spread will be adopted, and no other amendments to the Terms and Conditions of the Notes will be made pursuant to this Condition 2(p), if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in (i) a change in the regulatory classification of the Notes giving rise to a Capital Disqualification Event (in the case of Subordinated Notes) or a MREL/TLAC Disqualification Event (in the case of Senior Notes) and/or (ii) (in the case of Senior Notes) the Relevant Resolution Authority and/or the Lead

Regulator treating the next reset date as the effective maturity of the Notes, rather than the relevant Maturity Date.

Without prejudice to the obligations of the Issuer under this Condition 2(p), the Original Reference Rate and the other provisions in this Condition 2 will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), the applicable Adjustment Spread and any consequential changes made to the Agency Agreement and these Terms and Conditions (if any).

For the purposes of this Condition 2(p):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to 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 Original 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 Independent Adviser (if any) determines is customarily applied to the relevant Successor Rate or Alternative Reference Rate (as applicable) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) if the Issuer determines that no such spread, formula or methodology is customarily applied, the Issuer, following consultation with the Independent Adviser (if any), determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable).

"**Alternative Reference Rate**" means the rate that the Issuer determines has replaced the Original Reference Rate and is customarily applied in the international debt capital markets transactions 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 Reset Period (as applicable), 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 Original Reference Rate.

"**Benchmark Event**" means:

(i) the relevant Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) the making of a public statement by the administrator of the relevant Original Reference Rate stating that it will, by a specified date within the following six months, cease to publish the relevant Original Reference Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Original Reference Rate); or

(iii) the making of a public statement by the supervisor of the administrator of the relevant Original Reference Rate stating that the relevant Original Reference Rate has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or

(iv) the making of a public statement by the supervisor or the administrator of the relevant Original Reference Rate that means that the relevant Original Reference Rate will be prohibited from

being used either generally or in respect of the Notes or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(vi) 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 Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate, and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement and, in each case, not the date of the relevant public statement.

"**IA Determination Cut-Off Date**" means no later than five Business Days prior to the relevant Interest Determination Date or Reset Determination Date (as applicable) relating to the next succeeding Interest Period or Reset Period (as applicable).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.

"**Original Reference Rate**" means the originally specified benchmark rate or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (provided that if such originally-specified benchmark or screen rate (as applicable) (or any Successor Rate or Alternative Reference Rate which has replaced it pursuant to this Condition 2(p)) has been replaced by a (or a further) Successor Rate or Alternative Reference Rate pursuant to this Condition 2(p), the term "Original Reference Rate" shall include any such Successor Rate or Alternative Reference Rate).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable)relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the benchmark or screen rate (as applicable)relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (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 Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 3 Redemption, Purchase and Options

*(a) Final Redemption*

(i) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date (if any) specified in the applicable Final Terms at its Final Redemption Amount.

(ii) In these Terms and Conditions:

"**Final Redemption Amount**" means, (A) if "**Specified Redemption Amount**" is specified as being applicable in the applicable Final Terms, an amount per Calculation Amount equal to the product of the Specified Fixed Percentage Rate and the Calculation Amount, **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100%, or (B) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount.

"**Specified Fixed Percentage Rate**" means the percentage specified as such in the applicable Final Terms, which shall be determined by the Issuer at the time of issue on the basis of market conditions, **provided that** if no such rate is specified, the Specified Fixed Percentage Rate shall be 100%.

*(b) Early Redemption of Zero Coupon Notes and certain other Notes*

(i) The Zero Coupon Note Redemption Amount payable in respect of (A) any Zero Coupon Note prior to the Maturity Date, or (B) any Note in respect of which the applicable Final Terms specify "Amortised Face Amount" as the applicable option for determination of the Redemption Amount, in each case upon redemption of such Note pursuant to Condition 3(e) or upon it becoming due and payable as provided in Condition 11 shall be the Amortised Face Amount (calculated as provided below) of such Note.

In these Terms and Conditions, "**Zero Coupon Note Redemption Amount**" means (A) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100%, (B) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount, or (C) if "**Amortised Face Amount**" is specified in the applicable Final Terms, an amount calculated in accordance with this Condition 3(b).

(ii) Subject to sub-paragraph (iii) below, the "**Amortised Face Amount**" of any such Note shall be the scheduled Zero Coupon Note Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually.

(iii) If the Redemption Amount payable in respect of any such Zero Coupon Note upon its redemption pursuant to Condition 3(e) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the Maturity Date were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the

amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 3(e).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction set out in the applicable Final Terms.

*(c) Redemption at the Option of the Issuer*

If so provided in the applicable Final Terms, subject to the conditions set out in Condition 3(h), the Issuer may on giving such period of irrevocable notice to the Noteholders as may be specified in the applicable Final Terms (which shall be not less than seven days) redeem all or, if so provided, some of the Notes in the principal amount of the Specified Denomination(s) or integral multiples thereof on the Optional Redemption Date (the first such Optional Redemption Date, in the case of the Subordinated Notes, falling not earlier than the fifth anniversary of the Issue Date, and in case of the Senior Preferred Notes and the Senior Non-Preferred Notes, falling not earlier than the first anniversary of the Issue Date).

Any such redemption of Notes shall be at their Redemption Amount (Call) together with interest accrued to (but excluding) the date fixed for redemption (as set out in the notice to the Noteholders). Any such redemption or exercise must relate to the Notes of a nominal amount at least equal to the Minimum Nominal Redemption Amount (if any) to be redeemed specified in the applicable Final Terms and no greater than the Maximum Nominal Redemption Amount (if any) to be redeemed specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 3(c).

In the case of a partial redemption of the Notes, the relevant Notes will be selected in accordance with the rules of the Securities Settlement System.

For these purposes, "**Redemption Amount (Call)**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100% or (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount.

*(d) Redemption upon the occurrence of a Capital Disqualification Event*

If this Condition 3(d) is specified as being applicable in the applicable Final Terms, then, if a Capital Disqualification Event has occurred and is continuing, and to the extent that the Issuer, at its sole discretion, has not opted to substitute or vary the Subordinated Notes in accordance with Condition 6(d), the Issuer may, subject to the conditions set out in Condition 3(h), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 8 (with a copy to the Fiscal Agent), at its option, redeem all, but not some only, of the Subordinated Notes, on any Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) or, if so specified in the applicable Final Terms, at any time, at the Capital Disqualification Event Early Redemption Price, together with interest accrued and unpaid, if any, to (but excluding) the date fixed for redemption.

The notice given to the Noteholders (which notice shall be irrevocable) pursuant to this Condition shall (i) contain a confirmation by the Issuer stating that a Capital Disqualification Event has occurred and is continuing and (ii) set out the date fixed for redemption, and such confirmation shall (in the absence of manifest error) be conclusive and binding on the Noteholders.

In these Terms and Conditions:

"**Applicable Banking Regulation**" means at any time, the laws, regulations, rules, guidelines and policies of the Lead Regulator, or of the European Parliament and Council then in effect in Belgium, relating to capital adequacy and applicable to the Issuer at such time (for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRR and CRD).

"**Capital Disqualification Event**" means an event that shall be deemed to have occurred if the Issuer determines, in good faith, and after consultation with the Lead Regulator, that by reason of a change (or a prospective change which the Lead Regulator considers to be sufficiently certain) to the regulatory classification of the Subordinated Notes, at any time after the Issue Date, the Subordinated Notes cease (or would cease) to be included, in whole or in part, in or count towards the Tier 2 capital of the Issuer on a solo and/or consolidated basis (having done so before the Capital Disqualification Event occurring) (excluding, for these purposes, any non-recognition as a result of applicable regulatory amortisation in the five years immediately preceding maturity and other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer.)

"**Capital Disqualification Event Early Redemption Price**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100% or (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount.

"**CRD**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions on prudential requirements for credit institutions and investment firms, as amended or replaced by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019.

"**CRR**" means 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 by Regulation (EU) 2019/876, and as may be further amended or replaced from time to time.

"**Lead Regulator**" means the NBB, the ECB or any successor entity primarily responsible for the prudential supervision of the Issuer.

"**Tier 2 capital**" has the meaning given to it under the Applicable Banking Regulation as applied by the Lead Regulator from time to time.

*(e) Redemption upon the occurrence of a Tax Event*

Subject to the conditions set out in Condition 3(h), the Issuer may, at its option (subject to giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 8 (with a copy to the Fiscal Agent), which notice shall be irrevocable) redeem all, but not some only, of the Notes outstanding on any Interest Payment Date or Resettable Note Interest Payment Date (as the case may be), or, if so specified in the applicable Final Terms, at any time, at the Tax Event Redemption Amount, together with interest accrued and unpaid, if any, to (but excluding) the date fixed for redemption (as set out in the notice to the Noteholders), if, at any time, a Tax Event has occurred and is continuing, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (i) the Issuer would be obliged to pay any additional amounts in case of a Tax Gross-up Event, or (ii) a payment in respect of the Notes would cease to be deductible or the tax-deductibility of such payment would reduce in case of a Tax Deductibility Event, in each case, were a payment in respect of the Notes then due. The Issuer shall obtain an opinion of an independent legal adviser of recognised standing to the effect that a Tax Event exists.

In these Terms and Conditions:

A "**Tax Event**" shall be deemed to have occurred if as a result of a Tax Law Change:

(i) in making interest payments under the Notes, the Issuer has or will on or before the next Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) or the Maturity Date (as applicable) become obliged to pay additional amounts as provided or referred to in Condition 5 (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it) (a "**Tax Gross-up Event**"); or

(ii) on or before the next Interest Payment Date or Resettable Note Interest Payment Date (as the case may be) or the Maturity Date (as applicable) any payment by the Issuer in respect of the Notes ceases (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is reduced (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it) (a "**Tax Deductibility Event**").

"**Tax Event Redemption Amount**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100%, (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount, or (iii) if "**Amortised Face Amount**" is specified in the applicable Final Terms, an amount calculated in accordance with Condition 3(b) above.

"**Tax Law Change**" means any change in, or amendment to, the laws or regulations of Belgium, including any treaty to which Belgium is a party, or any change in the application or official interpretation thereof, which change or amendment (i) (subject to (ii)) becomes effective on or after the Issue Date of the last Tranche of Notes, or (ii) in the case of a change in law, if such change is enacted on or after the Issue Date of the last Tranche of Notes.

*(f) Redemption of Senior Notes upon the occurrence of a MREL/TLAC Disqualification Event*

If the Notes are Senior Notes, and "MREL/TLAC Disqualification Event" is specified as applicable in the relevant Final Terms, then upon the occurrence of a MREL/TLAC Disqualification Event, the Issuer may, at its option, at any time and having given not more than 60 nor less than 30 calendar days' notice to the holders of the relevant Senior Notes, in accordance with Condition 8 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Senior Notes at the MREL/TLAC Disqualification Event Early Redemption Price, together with accrued interest (if any) thereon subject to such redemption being permitted by the Applicable MREL/TLAC Regulations, and subject to Condition 3(h).

"**Applicable MREL/TLAC Regulations**" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Belgium and applicable to the Issuer and giving effect to MREL. If there are separate laws, regulations, requirements, guidelines and policies giving effect to MREL, then "Applicable MREL/TLAC Regulations" means all such regulations, requirements, guidelines and policies.

"**MREL**" means the "minimum requirement for own funds and eligible liabilities" for banking institutions referred to in BRRD and CRD, or any other EU laws and regulations implemented in Belgian laws and regulations and/or as set out in policies and/or principles of the Relevant Resolution Authority as the case may be.

"**MREL/TLAC Disqualification Event**" means at any time that all or part of the outstanding nominal amount of the Senior Notes of a Series does not or will not qualify as MREL/TLAC-Eligible Instruments

under Applicable MREL/TLAC Regulations, either by reason of a change or such regulations becoming effective (or the application or official interpretation of such regulations), except where such non-qualification:

(i) is or will be caused by any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor terms) permitted or allowed to meet any requirements under the Applicable MREL/TLAC Regulations;

(ii) was reasonably foreseeable at the Issue Date; or

(iii) is due to the remaining maturity of such Notes being less than any period prescribed by the Applicable MREL/TLAC Regulations in force as at the Issue Date of the last Tranche of Notes.

"**MREL/TLAC-Eligible Instrument**" means an instrument that is eligible to be counted towards the MREL of the Issuer in accordance with Applicable MREL/TLAC Regulations.

"**MREL/TLAC Disqualification Event Early Redemption Price**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100% or (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount.

"**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).

*(g) Repurchases*

The Issuer and any of its subsidiaries may at any time repurchase Notes in the open market or otherwise at any price. This Condition 3(g) shall apply to the extent repurchases of Notes are not prohibited by the Applicable Banking Regulation and subject to the conditions set out in Condition 3(h).

*(h) Conditions to redemption*

Any optional redemption or repurchase of the Notes pursuant to this Condition 3 is subject to the following conditions (in each case, if and to the extent then required by the Applicable Banking Regulation):

(i) compliance with any conditions prescribed under the Applicable Banking Regulation, including the prior approval of the Lead Regulator and/or the Relevant Resolution Authority (if required);

(ii) in respect of Subordinated Notes only, (A) in the case of redemption following the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the Lead Regulator or Relevant Resolution Authority that (x) the Tax Law Change was not reasonably foreseeable by the Issuer as at the Issue Date and (y) the Tax Event is material, or (B) in the case of redemption following the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Lead Regulator or the Relevant Resolution Authority that the relevant change is sufficiently certain and was not reasonably foreseeable by the Issuer as at the Issue Date; and

(iii) compliance by the Issuer with any alternative or additional pre-conditions to the redemption of Notes to the extent set out in the Applicable Banking Regulation and in the Applicable

MREL/TLAC Regulations and required by the Lead Regulator or the Relevant Resolution Authority.

*(i) Cancellation*

Subject to the conditions set out in Condition 3(h), all Notes repurchased by or on behalf of the Issuer or any of its subsidiaries may be, and all Notes redeemed by the Issuer will be, cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 4 Payments

*(a) Principal and interest*

Payment of principal and interest in respect of Notes will be made in accordance with the applicable rules and procedures of the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, LuxCSD or Euroclear France and any other Securities Settlement System participant holding interest in the relevant Notes, and any payment made by the Issuer to the Securities Settlement System or, in the case of payments in any currency other than euro which needs to be made outside the Securities Settlement System, to Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, LuxCSD or Euroclear France will constitute good discharge for the Issuer. Upon receipt of any payment in respect of Notes, the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, LuxCSD or Euroclear France and any other Securities Settlement System participant, shall immediately credit the accounts of the relevant account holders with the payment.

*(b) Payments Subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or its agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 5. No commission or expenses shall be charged to the Noteholders in respect of such payments.

*(c) Appointment of Agents*

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents and the Calculation Agent (together the "**Agents**") act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Terms and Conditions so require, (iii) a Paying Agent having its specified offices in a major European city and (iv) such other agents as may be required by the rules of any stock exchange on which the Notes may be listed.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

*(d) Non-Business Days*

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day, or as may be otherwise specified in the applicable Final Terms, nor to any interest or other sum in respect of such postponed payment. In these Terms and Conditions, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign

exchange markets are open for business in the relevant place of payment, in such jurisdictions as shall be specified as "**Business Day Jurisdictions**" in the applicable Final Terms and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 5 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made without withholding or deduction for any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by Belgium or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or other charges is required by law or regulation.

In that event, or if a clearing system or any participant in a clearing system withholds or deducts for, or on account of, any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall be not less than the respective amounts of interest which would have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any payment in respect of any Note:

(i) *Other connection*: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Belgium or any political subdivision thereof or any authority therein or thereof other than the mere holding of the Note; or

(ii) *Non-Eligible Investors*: to a holder who, at the time of its acquisition of the Notes, was not an Eligible Investor within the meaning of Article 4 of the Royal Decree of 26 May 1994 on the deduction of withholding tax or to a holder who was an Eligible Investor at the time of its acquisition of the Notes but, for reasons within the holder's control, ceased to be an Eligible Investor or, at any relevant time on or after its acquisition of the Notes, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to transactions with certain securities; or

(iii) *Other Paying Agent*: where the holder of such Notes would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another paying agent of the Issuer in a member state of the European Union; or

(iv) *Conversion into registered Notes*: to a holder who is liable to such withholding or deduction because the Notes were converted into registered Notes upon his/her request and could no longer be cleared through the Securities Settlement System.

Notwithstanding any other provision in these Terms and Conditions, any amounts paid by or on behalf of the Issuer in respect of the Notes will be paid net of any deduction or withholding imposed or required by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**Code**") (or any regulations thereunder or official interpretations thereof), or otherwise imposed pursuant to any intergovernmental agreement, or implementing legislation adopted by another jurisdiction, in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**").

Neither the Issuer nor any other person will have an obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding.

As used in these Terms and Conditions, the "**Relevant Date**" in respect of any payment means whichever is the later of (i) the date on which such payment first becomes due and (ii), (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of such moneys outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that such payment will be made.

References in these Terms and Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 3 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 2 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 5.

## 6 Status and subordination

The Notes may be either senior Notes ("**Senior Notes**") or subordinated Notes ("**Subordinated Notes**") and the Senior Notes may be either senior preferred Notes ("**Senior Preferred Notes**") or senior non-preferred Notes ("**Senior Non-Preferred Notes**"), in each case as specified in the relevant Final Terms.

*The existing Senior Notes whose Final Terms do not specify whether they constitute Senior Preferred Notes or Senior Non-Preferred Notes are pari passu with the Senior Preferred Notes.*

*(a) Status of Senior Preferred Notes*

(i) *Status*

The Senior Preferred Notes (being those Notes in respect of which the status is specified in the applicable Final Terms as "Senior Preferred Notes") are direct, unconditional, senior (*chirografaire/chirographaires*) and unsecured obligations of the Issuer and rank at all times:

(A) *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, which will fall or are expressed to fall within the category of obligations described in Article 389/1, 1° of the Belgian law of 25 April 2014 regarding the status and supervision of credit institutions (the "**Belgian Banking Law**"), but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights;

(B) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking *pari passu* with or junior to Senior Non-Preferred Obligations; and

(C) junior to the claims of depositors and to all present and future claims as may be preferred by laws of general application.

Subject to applicable law, if an order is made or an effective resolution is passed for the liquidation, dissolution or winding-up of the Issuer by reason of bankruptcy (*faillissement/faillite*), the Noteholders will have a right to payment under the Senior Preferred Notes:

(A) only after, and subject to, payment in full of holders of present and future claims as may be preferred by laws of general application or otherwise ranking in priority to Senior Preferred Notes; and

(B) subject to such payment in full, in priority to holders of Senior Non-Preferred Obligations and other present and future claims otherwise ranking junior to Senior Preferred Notes.

"**Senior Non-Preferred Obligations**" means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in Article 389/1, 2° of the Belgian Banking Law, including Senior Non-Preferred Notes.

(ii) *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 Issuer arising under or in connection with the Senior Preferred Notes and each Noteholder shall, by virtue of its subscription, purchase or holding of a Senior Preferred Note, be deemed to have waived all such rights of set-off, netting, compensation or retention. In case an amount is unduly discharged by the Issuer as a result of the exercise of any right of set-off, netting, compensation or retention by the Noteholder, the Noteholder shall compensate the Issuer for the amount that was unduly discharged.

*(b) Status of Senior Non-Preferred Notes*

(i) *Status*

The Senior Non-Preferred Notes (being those Notes in respect of which the status is specified in the applicable Final Terms to be "Senior Non-Preferred Notes") are issued pursuant to the provisions of Article 389/1, 2° of the Belgian Banking Law and are direct, unconditional, senior (*chirografaire/chirographaires*) and unsecured obligations of the Issuer and rank at all times:

(A) *pari passu*, without any preference among themselves, with all other Senior Non-Preferred Obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights;

(B) senior to the Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations; and

(C) junior to the present and future claims of (a) any unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations of the Issuer, and (b) all other present and future claims as may be preferred by laws of general application or otherwise ranking in priority to Senior Non-Preferred Obligations.

Subject to applicable law, if an order is made or an effective resolution is passed for the liquidation, dissolution or winding-up of the Issuer by reason of bankruptcy (*faillissement/faillite*), the Noteholders will have a right to payment under the Senior Non-Preferred Notes:

(A) only after, and subject to, payment in full of Senior Preferred Obligations (including any holders of Senior Preferred Notes) and other present and future claims benefiting from statutory preferences or otherwise ranking in priority to Senior Non-Preferred Obligations; and

(B) subject to such payment in full, in priority to holders of the Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations.

"**Senior Preferred Obligations**" means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in Article 389/1, 1° of the Belgian Banking Law, including Senior Preferred Notes.

(ii) *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 Issuer arising under or in connection with the Senior Non-Preferred Notes and each Noteholder shall, by virtue of its subscription, purchase or holding of a Senior Non-Preferred Note, be deemed to have waived all such rights of set-off, netting, compensation or retention. In case an amount is unduly discharged by the Issuer as a result of the exercise of any right of set-off, netting, compensation or retention by the Noteholder, the Noteholder shall compensate the Issuer for the amount that was unduly discharged.

*(c) Status of Subordinated Notes*

(i) *Status and Subordination*

Notes in respect of which the status is specified in the applicable Final Terms as "Subordinated" ("**Subordinated Notes**") constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

In the event of dissolution or liquidation of the Issuer (including the following events creating a competition between creditors (*"samenloop van schuldeisers/concours de créanciers"*): bankruptcy (*"faillissement/faillite"*), judicial liquidation (*"gerechtelijke vereffening/liquidation forcée"*) or voluntary liquidation (*"vrijwillige vereffening/liquidation volontaire"*) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer)), the rights and claims of the holders of Subordinated Notes against the Issuer shall be for an amount equal to the principal amount of each Subordinated Note together with any amounts attributable to such Subordinated Notes and shall rank, subject to any obligations which are mandatorily preferred by law (including, without limitation, national laws governing insolvency proceedings of the Issuer):

(A) junior to the claims of all Senior Creditors of the Issuer and Ordinarily Subordinated Creditors of the Issuer;

(B) *pari passu* without any preference among themselves and *pari passu* with the claims of holders of any other obligations or instruments of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 capital of the Issuer; and

(C) senior and in priority to (1) the claims of holders of all classes of share or other equity capital (including preference shares (if any)) of the Issuer, (2) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, and (3) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes.

(ii) *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 Issuer arising under or in connection with the Subordinated Notes and each Noteholder shall, by virtue of its subscription,

purchase or holding of a Subordinated Note, be deemed to have waived all such rights of set-off, netting, compensation or retention. In case an amount is unduly discharged by the Issuer as a result of the exercise of any right of set-off, netting, compensation or retention by the Noteholder, the Noteholder shall compensate the Issuer for the amount that was unduly discharged.

(iii) *Defined Terms*

In this Condition:

"**Ordinarily Subordinated Creditors**" means creditors of the Issuer whose claims are in respect of subordinated obligations which fall or are expressed to fall within the category of obligations described in Article 389/1, 3° of the Belgian Banking Law.

"**Senior Creditors**" means creditors of the Issuer whose claims are in respect of obligations which are unsubordinated or which otherwise rank, or are expressed to rank, senior to claims of Ordinarily Subordinated Creditors and senior to obligations which constitute Tier 2 capital of the Issuer (including the Subordinated Notes).

"**Tier 1 capital**" and "**Tier 2 capital**" have the meanings given to them under the Applicable Banking Regulation as applied by the Lead Regulator.

*(d) Senior Notes and Subordinated Notes: Substitution and Variation*

In the case of Senior Notes or Subordinated Notes in relation to which this Condition 6(d) is specified in the applicable Final Terms as applying, then, following a MREL/TLAC Disqualification Event (in case of Senior Notes) or following a Capital Disqualification Event (in case of Subordinated Notes), the Issuer may, at its sole discretion and without the consent of the Noteholders, by giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 8 substitute or vary the terms of all, but not some only, of the Senior Notes or, as the case may be, of the Subordinated Notes then outstanding so that they become or, as appropriate, remain, Qualifying Securities.

Any substitution or variation of the Notes pursuant to Condition 6(d) is subject to compliance with any conditions prescribed under the Applicable Banking Regulation, including the prior approval of the Relevant Resolution Authority (if required).

In these Terms and Conditions:

"**Moody's**" means Moody's France S.A.S. or any affiliate thereof.

"**Qualifying Securities**" means, at any time, any securities issued by the Issuer:

(i) that rank equally with the ranking of the Senior Preferred Notes (in the case of Senior Preferred Notes), Senior Non-Preferred Notes (in the case of Senior Non-Preferred Notes) or Subordinated Notes (in the case of Subordinated Notes) prior to the relevant substitution or variation;

(ii) other than in respect of the effectiveness and enforceability of Condition 14(c) (*Acknowledgment of and Consent to the Bail-in Power*), have terms not materially less favourable to Noteholders than the terms of the Senior Preferred Notes, Senior Non-Preferred Notes or, as the case may be, the Subordinated Notes (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing, and provided that a certification of two members of the management board of the Issuer shall have been delivered to the Fiscal Agent prior to the substitution or variation of the relevant securities), provided that such securities shall in any event:

(A) contain terms such that they comply with the then Applicable Banking Regulation in relation to Tier 2 capital (in case of Subordinated Notes) or that they comply with the then Applicable MREL/TLAC Regulations (in case of Senior Notes);

(B) not contain terms which would cause a MREL/TLAC Disqualification Event (in case of Senior Notes) or a Capital Disqualification Event (in case of Subordinated Notes) or a Tax Event to occur as a result of such substitution or variation;

(C) include terms which provide for the same (or, from a Noteholder's perspective, a more favourable) Rate of Interest from time to time, Interest Payment Dates or Resettable Note Interest Payment Date (as the case may be), Maturity Date and, if applicable, optional redemption dates, as apply to the Senior Preferred Notes, Senior Non-Preferred Notes or the Subordinated Notes prior to the relevant substitution or variation;

(D) preserve any existing right under the Terms and Conditions to any accrued interest, principal and/or premium which has not been satisfied; and

(E) not contain terms providing for the mandatory or voluntary deferral of payments of principal and/or interest;

(iii) are listed on (A) the regulated market of the Luxembourg Stock Exchange or (B) such other regulated market in the European Economic Area as selected by the Issuer (to the extent the Senior Notes and Subordinated Notes were listed on the regulated market of the Luxembourg Stock Exchange or such other regulated market in the European Economic Area prior to their substitution or variation); and

(iv) where the Senior Notes or, as the case may be, the Subordinated Notes which have been substituted or varied had a solicited rating from a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Senior Notes or, as the case may be, the Subordinated Notes as so substituted or varied, unless any downgrade is solely attributable to the application of the bail-in resolution tool.

"**Rating Agency**" means each of Moody's and S&P or their respective successors.

"**S&P**" means S&P Global Ratings Europe Limited or any affiliate thereof.

## 7 Substitution of the Issuer

Subject to this Condition 7 being specified as applicable in the Final Terms, then, the Issuer or any previous substituted company, may at any time, without the consent of the Noteholders, substitute for itself as principal debtor under the Notes, any company (the "**Substitute**") provided that:

(a) the Lead Regulator approves or does not object to the substitution (if applicable);

(b) the substitution is made by a deed poll or by execution of such other documentation as the Issuer determines is appropriate to give effect to such substitution;

(c) no payment of principal of, or interest on, the Notes is at the time of such substitution overdue;

(d) the Substitute assumes all obligations and liabilities of the substituted Issuer in its capacity as debtor arising from, or in connection with, the Notes and the substitution is subject to the Issuer irrevocably and unconditionally guaranteeing on a senior preferred basis (in the case of Senior Preferred Notes), on a senior non-preferred basis (in case of Senior Non-Preferred Notes) or on a subordinated basis (in the

case of Subordinated Notes) corresponding to the ranking of the Subordinated Notes, the obligations of the Substitute;

(e) the Substitute becomes a party to the Agency Agreement, with any appropriate consequential amendments, and assumes all the obligations and liabilities of the Issuer in its capacity as debtor under the Notes contained therein and shall be bound as fully as if the Substitute had been named therein as an original party;

(f) the Substitute shall, by means of the deed poll or by execution of such other documentation as the Issuer determines is appropriate, agree to indemnify the holder of each Note against any tax, duty, fee or governmental charge that is imposed on such holder by the jurisdiction of the country of its residence for tax purposes and, if different, of its incorporation or any political subdivision or taxing authority thereof or therein with respect to any Note and that would not have been so imposed had it not been substituted as the principal debtor and any tax, duty, fee or governmental charge imposed on or relating to such substitution and any costs or expenses of such substitution;

(g) the Substitute obtains all necessary governmental and regulatory approvals and consents, takes all actions and fulfils all conditions necessary for such substitution and to ensure that the deed poll or other document executed to give effect to the substitution and the Notes represent valid, legally binding and enforceable obligations of the Substitute;

(h) the Substitute shall cause legal opinions to be delivered to the Noteholders (care of the Fiscal Agent) from lawyers with a leading securities practice in Belgium and the jurisdiction of the Substitute confirming the validity of the substitution and the continuance or giving of the guarantee referred to in sub-paragraph (c) above;

(i) each stock exchange which the Notes are listed on or the relevant competent authority relating thereto shall have confirmed that following the proposed substitution of the Issuer, such Notes would continue to be listed on such stock exchange;

(j) following the substitution, the Notes will continue to be represented by book-entry in the records of the Securities Settlement System;

(k) where the Notes had a published rating from a Rating Agency immediately prior to the substitution of the Issuer, the Notes shall continue to be rated by such Rating Agency immediately following such substitution and the published ratings assigned to the Notes by such Rating Agency immediately following such substitution will be no less than those assigned to the Notes immediately prior thereto; and

(l) the Issuer shall have given at least 14 days' prior notice of a proposed substitution to the Noteholders, such notice to be published in accordance with these Terms and Conditions, stating that copies, or pending execution, the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to the Noteholders, shall be available for inspection at the specified office of the Fiscal Agent and each of the other Paying Agents.

References in Condition 11 to obligations under the Notes shall be deemed to include obligations of the Substitute under the deed poll or other documentation executed in order to give effect to the substitution.

## 8 Notices

All notices to holders of Notes shall be validly given if (i) delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the Securities Settlement System, (ii) in the case of Notes held in a securities account, through a direct notification through the applicable clearing system, and (iii) in the case of Notes held in a securities account with Belfius Bank, through a direct notification in the account statements.

For so long as Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require, such notices shall also be published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above or, in the case of direct notification, any such notice shall be deemed to have been given on the date immediately following the date of notification.

In respect of Notes listed on a market other than the Luxembourg Stock Exchange and the rules of that exchange so require, any notices shall also be given in accordance with the requirements of such exchange.

## 9 Prescription

Claims for principal and interest shall become void ten or five years, respectively, after the Relevant Date thereof, unless application to a court of law for such payment has been initiated on or before such respective time.

## 10 Meeting of Noteholders and Modification to Agency Agreement

*(a) Meetings of Noteholders*

Schedule 1 (*Provisions on meetings of Noteholders*) of these Terms and Conditions contains provisions for convening meetings of Noteholders (the "**Meeting Provisions**") to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined therein) of a modification of any of these Terms and Conditions. The provisions of this Condition 10(a) are subject to, and should be read together with, the more detailed provisions contained in the Meeting Provisions (which shall prevail in the event of any inconsistency).

Meetings of Noteholders may be convened to consider matters relating to Notes, including the modification or waiver of any provision of the Terms and Conditions applicable to any relevant Series of Notes. Any such modification or waiver may be made if sanctioned by an Extraordinary Resolution. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of the Issuer. An "**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Meeting Provisions by a majority of at least 75% of the votes cast.

All meetings of Noteholders will be held in accordance with the Meeting Provisions. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one fifth of the aggregate principal amount of the outstanding Notes. A meeting of Noteholders will be entitled (subject to the consent of the Issuer) to modify or waive any provision of the Terms and Conditions applicable to any Series of Notes (including any proposal (i) to modify the maturity of a Series of Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders) in accordance with the quorum and majority requirements set out in the Meeting Provisions. Resolutions duly passed in accordance with the Meeting Provisions shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Noteholders shall be made in accordance with the Meeting Provisions.

*(b) Modification of Agency Agreement*

Without prejudice to Condition 2(p), the Issuer 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.

*(c) Written Resolutions*

A Written Resolution (as defined in the Meeting Provisions) signed, or Electronic Consent (as defined in the Meeting Provisions), given, by the holders of 75% in nominal amount of the Notes outstanding shall take effect as if it were an Extraordinary Resolution. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

## 11 Events of Default

If default is made in the payment of any principal or interest due in respect of the Subordinated Notes or the Senior Notes or such principal or interest and such default continues for a period of 30 days or more after the due date, any holder of Subordinated Notes or Senior Notes may institute proceedings for the dissolution or liquidation of the Issuer in Belgium.

In the event of a dissolution or liquidation of the Issuer (including, without limitation, the following events creating a "*samenloop van schuldeisers/concours de créanciers*": bankruptcy ("*faillissement/faillite*"), judicial liquidation ("*gerechtelijke vereffening/liquidation forcée*"), voluntary liquidation ("*vrijwillige vereffening/liquidation volontaire*") (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer)), each holder of Subordinated Notes or Senior Notes may give written notice to the Agent at its specified office that its Subordinated Note(s) or Senior Note(s) is (are) immediately repayable, whereupon the Event of Default Redemption Amount of such Subordinated Note or Senior Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable.

No remedy against the Issuer other than as referred to in this Condition 11 shall be available to the holders of Subordinated Notes or Senior Notes, whether for recovery of amounts owing in respect of the Subordinated Notes or Senior Notes or in respect of any breach by the Issuer of any of its obligations under or in respect of the Subordinated Notes or Senior Notes.

For the avoidance of doubt, the holders of Subordinated Notes or Senior Notes waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind ("*ontbinden/résoudre*"), or to demand legal proceedings for the rescission ("*ontbinding/résolution*") of, the Subordinated Notes or Senior Notes and (ii) to the extent applicable, all their rights whatsoever in respect of the Subordinated Notes or Senior Notes pursuant to Article 7:64 of the Belgian Companies and Associations Code.

In these Terms and Conditions, "**Event of Default Redemption Amount**" means (i) if "**Specified Redemption Amount**" is specified in the applicable Final Terms, an amount per Calculation Amount being the product of the Specified Fixed Percentage Rate and the Calculation Amount **provided that** the Specified Fixed Percentage Rate will not, in any case, be less than 100%, (ii) if "**Par Redemption**" is specified in the applicable Final Terms, an amount per Calculation Amount equal to 100% per Calculation Amount, or (iii) if "**Amortised Face Amount**" is specified in the applicable Final Terms, an amount calculated in accordance with Condition 3(b) above.

## 12 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the date for and amount of the first payment of interest) so that, for the avoidance of doubt, references in these Terms and Conditions to "**Issue Date**" shall be to the first issue date of the Notes, and so that the same shall be consolidated and form a single series with such Notes, and references in these Terms and Conditions and in Schedule 1 (*Provisions on meetings of Noteholders*) of these Terms and Conditions to "**Notes**" shall be construed accordingly.

## 13 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 of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer, 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 shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 13, 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 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.

## 14 Governing Law and Jurisdiction

*(a) Governing Law*

The Notes, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, Belgian law.

*(b) Jurisdiction*

The courts of Brussels (Belgium) are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes including any legal action or proceedings relating to any non-contractual obligations arising therefrom and accordingly any legal action or proceedings arising out of or in connection with any Notes including any disputes relating to any non-contractual obligations arising therefrom ("**Proceedings**") may be brought in such courts.

*(c) Acknowledgment of and Consent to the Bail-in Power*

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understandings between the Issuer and any Noteholder (which includes any current or future holder of a beneficial interest in the Notes), each Noteholder (which includes any current or future holder of a beneficial interest in the Notes) acknowledges and accepts that any liability arising under the Notes may be subject to the Bail-in Power by the Relevant Resolution Authority and acknowledges, accepts, consents and agrees 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 Notes or the Relevant Amounts in respect of the Notes being reduced or cancelled, including on a permanent basis;

(ii) all or part of the Relevant Amounts in respect of the 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 Amounts 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.

In this Condition,

"**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 Lead Regulator (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 can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise varied in any way, or securities of the Issuer can be written down and/or converted into shares, other securities or other obligations of the Issuer or any other person, whether in connection with the implementation of a bail-in power following placement in resolution or otherwise; and

"**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.

# SCHEDULE 1
# PROVISIONS ON MEETINGS OF NOTEHOLDERS

## Interpretation

1. In this Schedule:

1.1 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;

1.2 references to "**Notes**" and "**Noteholders**" are only to the Notes of the Series and in respect of which a meeting has been, or is to be, called and to the holders of those Notes, respectively;

1.3 "**agent**" means a holder of a Voting Certificate or a proxy for, or representative of, a Noteholder;

1.4 "**Block Voting Instruction**" means a document issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 9;

1.5 "**Electronic Consent**" has the meaning set out in paragraph 31;

1.6 "**Extraordinary Resolution**" means a resolution passed (a) at a meeting of Noteholders duly convened and held in accordance with this Schedule 1 (*Provisions on meetings of Noteholders*) by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;

1.7 "**Ordinary Resolution**" means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50 per cent. of the votes cast;

1.8 "**Recognised Accountholder**" means an entity recognised as account holder in accordance with article 7:35 of the Belgian Companies and Associations Code;

1.9 "**Securities Settlement System**" means the securities settlement system operated by the NBB or any successor thereto;

1.10 "**Voting Certificate**" means a certificate issued by a Recognised Accountholder or the Securities Settlement System in accordance with paragraph 8;

1.11 "**Written Resolution**" means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Notes outstanding; and

1.12 references to persons representing a proportion of the Notes are to Noteholders, proxies or representatives of such Noteholders holding or representing in the aggregate at least that proportion in nominal amount of the Notes for the time being outstanding.

## General

2. All meetings of Noteholders will be held in accordance with the provisions set out in this Schedule.

## Powers of meetings

3. A meeting shall, subject to the Terms and Conditions and (except in the case of sub-paragraph 3.5) only with the consent of the Issuer and, where applicable, the Lead Regulator, and without prejudice to any powers conferred on other persons by this Schedule, have power by Extraordinary Resolution:

3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);

3.2 to assent to any modification of the Terms and Conditions, the Notes or this Schedule proposed by the Issuer or the Agent;

3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;

3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;

3.5 to appoint any person or persons (whether Noteholders or not) as an individual or 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;

3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes in circumstances not provided for in the Terms and Conditions or in applicable law; and

3.7 to accept any security interests established in favour of the Noteholders or a modification to the nature or scope of any existing security interest or a modification to the release mechanics of any existing security interests.

provided that the special quorum provisions in paragraph 18 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 3.6 or for the purpose of making a modification to the Terms and Conditions, the Notes or this Schedule which would have the effect of (other than in accordance with the Terms and Conditions or pursuant to applicable law):

(i) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;

(ii) to assent to a reduction of the nominal amount of the Notes or a modification of the conditions under which any redemption, substitution or variation may be made;

(iii) to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment in circumstances not provided for in the Terms and Conditions;

(iv) to modify the dates of maturity or redemption of the Notes or the dates on which interest or any other amount are payable in respect of the Notes;

(v) to change the currency of payment of the Notes;

(vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution; or

(vii) to amend this proviso.

## Ordinary Resolution

4. Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Noteholders shall have power by Ordinary Resolution:

4.1 to assent to any decision to take any conservatory measures in the general interest of the Noteholders;

4.2 to assent to the appointment of any representative to implement any Ordinary Resolution; or

4.3 to assent to any other decisions which do not require an Extraordinary Resolution to be passed.

Any modification or waiver of any of the Terms and Conditions shall always be subject to the consent of the Issuer and, where applicable, the Lead Regulator.

5. No amendment to the Terms and Conditions, the Notes or this Schedule which in the opinion of the Issuer relates to any of the matters listed in paragraph 4 above shall be effective unless approved at a meeting of Noteholders complying in all respect with the provisions set out in this Schedule and the articles of association of the Issuer.

## Convening a meeting

6. The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Noteholders holding at least 20 per cent. in principal amount of the Notes for the time being outstanding. Every meeting shall be held at a time and place approved by the Agent, it being understood that meetings can be held by way of conference call or by use of a videoconference platform.

7. Convening notices for meetings of Noteholders shall be given to the Noteholders in accordance with Condition 8 (*Notices*) not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting (or, if relevant, the applicable dial-in details when the meeting will be held by way of conference call or by use of a videoconference platform) 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.

## Arrangements for voting

8. A Voting Certificate shall:

8.1 be issued by a Recognised Accountholder or the Securities Settlement System;

8.2 state that on the date thereof (i) the Notes (not being Notes in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) blocked by it and (ii) that no such Notes will cease to be so held and blocked until the first to occur of:

(i) the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and

(ii) the surrender of the Voting Certificate to the Recognised Accountholder or the Securities Settlement System who issued the same; and

8.3 further state that until the release of the Notes represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Notes represented by such certificate.

9. A Block Voting Instruction shall:

9.1 be issued by a Recognised Accountholder or the Securities Settlement System;

9.2 certify that the Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the Securities Settlement System) held to its order or under its control and blocked by it and that no such Notes will cease to be so held and (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) blocked until the first to occur of:

(i) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and

(ii) the giving of notice by the Recognised Accountholder or the Securities Settlement System to the Issuer, stating that certain of such Notes cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

9.3 certify that each holder of such Notes has instructed such Recognised Accountholder or the Securities Settlement System that the vote(s) attributable to the Note or Notes so held and (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing 48 hours prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;

9.4 state the principal amount of the Notes so held and (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and

9.5 naming one or more persons (each hereinafter called a "**proxy**") as being authorised and instructed to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in paragraph 9.4 above as set out in such document.

10. If a holder of Notes wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must (if and only to the extent permitted by the rules and procedures of the Securities Settlement System) block such Notes for that purpose at least 48 hours before the time fixed for the meeting to the order of the Agent with a bank or other depositary nominated by the Agent for the purpose. The Agent or such bank or other depositary shall then issue a Block Voting Instruction in respect of the votes attributable to all Notes so blocked.

11. No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.

12. The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Noteholder.

13. Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Notes held to the order or under the control and (if and only to the extent permitted by the rules

and procedures of the Securities Settlement System) blocked by a Recognised Accountholder or the Securities Settlement System and which have been deposited at the registered office at the Issuer not less than 48 hours before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Notes continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates.

14. In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.

### Chairman

15. 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.

### Attendance

16. The following may attend and speak at a meeting:

    16.1 Noteholders and their respective agents and financial and legal advisers;

    16.2 the chairman and the secretary of the meeting;

    16.3 the Issuer and the Agent (through their respective representatives) and their respective financial and legal advisers; and

    16.4 any other person approved by the Issuer.

    No one else may attend or speak.

### Quorum and Adjournment

17. 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, the meeting shall be dissolved.

18. One or more Noteholders or agents present in person shall be a quorum:

    18.1 in the cases marked "**No minimum proportion**" in the table below, whatever the proportion of the Notes which they represent

18.2 in any other case, only if they represent the proportion of the Notes shown by the table below.

| **Purpose of meeting** | **Any meeting except for a meeting previously adjourned through want of a quorum** | **Meeting previously adjourned through want of a quorum** |
|---|---|---|
| | Required proportion | Required proportion |
| To pass a special quorum resolution | 75 per cent. | 25 per cent. |
| To pass any Extraordinary Resolution | A clear majority | No minimum proportion |
| To pass an Ordinary Resolution | A clear majority | No minimum proportion |

19. The chairman may with the consent of (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 paragraph or paragraph 17.

20. At least ten days' notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned meeting.

## Voting

21. 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 or one or more persons representing 2 per cent. of the Notes.

22. 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.

23. 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.

24. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

25. On a show of hands or a poll every person has one vote in respect of each Note 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.

26. 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.

### Effect and Publication of an Extraordinary Resolution and an Ordinary Resolution

27. An Extraordinary Resolution and an Ordinary 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 Ordinary Resolution or an Extraordinary Resolution to Noteholders within fourteen days but failure to do so shall not invalidate the resolution.

### Minutes

28. 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.

29. The minutes must be published on the website of the Issuer within fifteen (15) days after they have been passed.

### Written Resolutions and Electronic Consent

30. If authorised by the Issuer and to the extent Electronic Consent is not being sought in accordance with paragraph 32, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

31. Where the terms of the resolution proposed by the Issuer have been notified to the Noteholders through the relevant clearing system(s) as provided in sub-paragraphs 31.1 and/or 31.2 below, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (the "**Required Proportion**") by close of business on the Specified Date ("**Electronic Consent**"). Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

31.1 When a proposal for a resolution to be passed as an Electronic Consent has been made, at least fifteen days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Specified Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

31.2 If, on the Specified Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Noteholders that the resolution will be proposed again on such date and for

such period as determined by the Issuer. Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 31.1 above. For the purpose of such further notice, references to "**Specified Date**" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 6 above, unless that meeting is or shall be cancelled or dissolved.

32. A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution or an Ordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent.

## CLEARING

The Notes are in dematerialised form in accordance with the Belgian Companies and Associations Code. The Notes will be represented by a book entry in the records of the securities settlement system operated by the National Bank of Belgium or any successor thereto (the "**Securities Settlement System**"). The Notes can be held by their holders through the participants in the Securities Settlement System, including Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and LuxCSD and through other financial intermediaries which in turn hold the Notes through Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France or LuxCSD or other participants in the Securities Settlement System. Possession of the Notes will pass by account transfer.

Payment of principal and interest in respect of Notes will be made in accordance with the applicable rules and procedures of the Securities Settlement system, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France, LuxCSD and any other Securities Settlement System participant holding interest in the relevant Notes, and any payment made by the Issuer to the Securities Settlement System or, in the case of payments in any currency other than euro, to Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and LuxCSD will constitute good discharge for the Issuer. Upon receipt of any payment in respect of Notes, the Securities Settlement System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France, LuxCSD and any other Securities Settlement System participant, shall immediately credit the accounts of the relevant account holders with the payment. Noteholders are entitled to exercise their voting rights and other associative rights (as defined for the purposes of the Belgian Companies and Associations Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France, LuxCSD or another participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Notes (or the position held by the financial institution through which their Notes are held with the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France, LuxCSD or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

## USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes.

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, the Issuer may provide in the applicable Final Terms that, in the case of "green bonds", an amount equivalent to the net proceeds of the issue of the relevant Notes is intended to be applied to finance and/or refinance, in whole or in part, loans and investments realised by the Issuer to finance projects and/or assets (the "**Eligible Green Assets**"), as described in the applicable Final Terms and in the Issuer's green bond framework (as amended and/or supplemented from time to time, the "**Green Bond Framework**"), such Notes being referred to as "**Green Bonds**".

## GREEN BOND FRAMEWORK

In relation to Green Bonds, the Green Bond Framework is structured in compliance with the Green Bond Principles published by the International Capital Markets Association in its 2018 edition (the "**Green Bond Principles**") and is available on the Issuer's website (https://www.belfius.be/about-us/en/investors/debt-issuance/green-bonds). It may be further updated or expanded, among other things to reflect updates to the Taxonomy Regulation and the EU Green Bond Standards and evolutions in the activities of the Issuer. The Green Bond Framework sets out categories of Eligible Green Assets which have been identified by the Issuer.

The Issuer has appointed Sustainalytics to provide a second party opinion (the "**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. This Second Party Opinion is available on the Issuer's website (https://www.belfius.be/aboutus/en/investors/debt-issuance/green-bonds). The Second Party Opinion does not form part of, and is not incorporated by reference into, the Base Prospectus.

The Issuer will publish annual reports on its website detailing:

– the allocation of proceeds; and

– the environmental impact of the green portfolio of the Issuer.

The Issuer will also have an external auditor providing a limited assurance report of the allocation of the Green Bonds proceeds to its green portfolio (as described in the Issuer's Green Bond Framework). The limited assurance report will be available on the Issuer's website (https://www.belfius.be/aboutus/en/investors/debt-issuance/green-bonds).

The reports will not form part of, and will not be incorporated by reference into, the Base Prospectus.

Prior to any investment in Green Bonds, investors are advised to consult the Green Bond Framework for further information. Furthermore, 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 Green Bonds which have a particular use of proceeds identified in the applicable Final Terms*".

Notwithstanding any use of the net proceeds of the Green Bonds identified in the applicable Final Terms, investors should note that (i) such transactions will be fully subject to the CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments, as applicable, (ii) the Green Bonds can be subject to bail-in and write-down or conversion powers and (iii) this will not affect the particular status of such Green Bonds as identified in the applicable Final Terms, including, as applicable, in terms of subordination, loss absorbency features and regulatory treatment.

# DESCRIPTION OF THE ISSUER

## 1 Belfius Bank profile

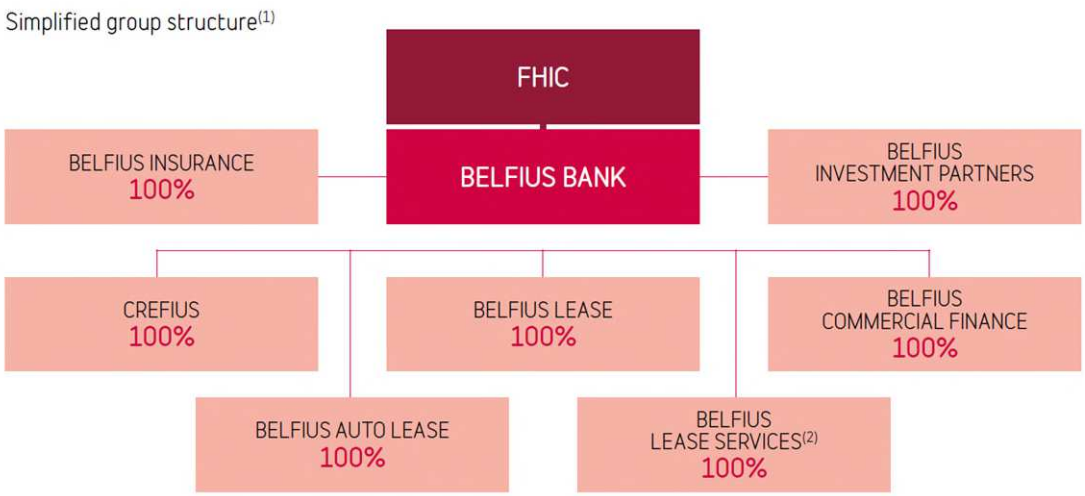
Belfius Bank SA/NV (the "**Issuer**" or "**Belfius Bank**") is a limited liability company (*naamloze vennootschap/ société anonyme*) established on 23 October 1962 for an unlimited duration and incorporated under Belgian law which collects savings from the public. The Issuer is licensed as a credit institution in accordance with the Belgian 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 2021 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 2021, total consolidated balance sheet amounted to EUR 192 billion.

With an essentially Belgian balance sheet for its commercial activities and customers from all segments, Belfius Bank is in a position to act as a universal bank for ten 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.

## 2 Simplified group structure as at the date of this Base Prospectus




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

## 3 Belfius Bank profile

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 2021, the total consolidated balance sheet of Belfius Insurance amounted to EUR 22 billion[1].

*Crefius*

Company servicing and managing mortgage loans. At the end of 2021, the total balance sheet of Crefius amounted to EUR 23 million[2].

*Belfius Auto Lease*

Company for operational vehicle leasing and car fleet management, maintenance and claims management services. At the end of 2021, the total balance sheet of Belfius Auto Lease amounted to EUR 447 million[3].

*Belfius Lease*

Company for financial leasing and renting of professional capital goods. At the end of 2021, the total balance sheet of Belfius Lease amounted to EUR 1,043 million[4].

*Belfius Lease Services*

Financial leasing and renting of professional capital goods to the self-employed, companies and liberal professions. At the end of 2021, the total balance sheet of Belfius Lease Services amounted to EUR 2,193 million[5].

*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 2021, the total balance sheet of Belfius Commercial Finance amounted to EUR 1,045 million[6].

*Belfius Investment Partners*

Company for administration and management of investment funds. At the end of 2021, the total balance sheet of Belfius Investment Partners amounted to EUR 160 million[7] and assets under management amounted to EUR 22.5 billion.

## 4 Results 2021

Belfius' consolidated net income reached EUR 935 million in 2021, driven by strong commercial dynamics in combination with a positive stock market year and a prosperous risk environment.

Total income amounted to EUR 2,703 million in 2021, up 3% compared to 2020 (EUR 2,614 million) thanks to:

- an increase of net interest income by 2% (EUR 1,623 million in 2021 compared to EUR 1,590 million in 2020) mainly thanks to:

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1 For more details, see the 2021 annual report of Belfius Insurance.

2 Total IFRS balance sheet before consolidation adjustments.

3 Total IFRS balance sheet before consolidation adjustments.

4 Total IFRS balance sheet before consolidation adjustments.

5 Total IFRS balance sheet before consolidation adjustments.

6 Total IFRS balance sheet before consolidation adjustments.

7 Total IFRS balance sheet before consolidation adjustments.

  - the excellent commercial loans dynamics in all segments of the Belgian economy, leading to a continued diversification of the loan portfolio at Belfius;
  - the disciplined pricing thereof, as such compensating for the pressure on interest margins on non-maturing deposits stemming from the historically low interest rate environment; and
  - the increased interest income support from the TLTRO;
- excellent growth in net fee and commission income of Belfius Bank, up by 18% (EUR 732 million in 2021 compared to EUR 622 million in 2020) thanks to increased revenues from asset management and payment services;
- higher life insurance income up by 11% (EUR 302 million in 2021 compared to EUR 273 million in 2020), thanks to further increasing recurring income on life guaranteed products despite a decreasing portfolio;
- lower non-life insurance income, down by 14% (EUR 210 million in 2021 compared to EUR 244 million in 2020), notably due to the strong positive lockdown impact in 2020 for car insurance, a higher average claims cost, the impact of the floods of July 2021 and provision for damages caused by drought;
- other income amounted to EUR -165 million in 2021, more negative than in 2020 (EUR -116 million). The year-on-year delta mainly stems from higher bank levies (EUR 256 million in 2021 compared to EUR 222 million in 2020) and smaller net income on investments.

Costs remained well contained at EUR 1,477 million in 2021, a limited 1% increase against EUR 1,465 million in 2020, driven by an increase in staff expenses, general expenses and network costs, and despite the fact that Belfius continued to invest structurally in IT and digitalisation. This led to a noticeable improvement in the cost-income ratio of 54.6% in 2021 compared to 56.0% in 2020.

All in all, the combination of strong income dynamics, favourable financial markets and the lower-for-longer interest rate environment, together with contained operating expenses, notwithstanding continuing investments in commercial activities, ESG, IT and digitalisation, led to an increase of 7% in pre-provision income, to EUR 1,226 million in 2021 (compared to EUR 1,149 million in 2020).

Belfius made a detailed review of its credit risk portfolio and prudentially managed its IFRS 9 provisions in line with the improving economic environment, leading to a partial net reversal of the 2020 COVID-19 related provisioning and as such a light net reversal of cost of risk of EUR +1 million in 2021 compared to a net allowance of EUR -453 million in 2020.

As a result, net income before taxes amounted to EUR 1,226 million in 2021 compared to EUR 679 million in 2020.

Tax expenses amounted to EUR 290 million in 2021 compared to EUR 147 million in 2020, mainly due to higher taxable profit. The consolidated effective tax rate (ETR) stood at 24%, slightly below the statutory tax rate (25% in 2021).

As a consequence, consolidated net income reached EUR 935 million in 2021 compared to EUR 532 million in 2020.

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

- the CET 1 ratio stood at 16.37% at the end of 2021, 0.74% down compared to December 2020, mainly as a result of the increasing capacity of profit (+158 bps CET 1 ratio), the negative impact of the strong commercial balance sheet growth (-87 bps CET 1 ratio), a foreseeable pay-out ratio (-62 bps on the CET 1 ratio) and the still on-going stricter regulatory impacts (-71 bps);

- this strong and solid CET 1 level is net of a 40% dividend pay-out ratio, hence a potential full year 2021 dividend of EUR 368.5 million, thanks to which Belfius continued to support its commercial franchise development;
- the total capital ratio stood at 19.8% at the end of 2021 compared to 20.4% at the end of 2020;
- the leverage ratio increased to 7.1% at the end of 2021, up 28 bps compared to the end of 2020;
- insurance activities also posted continued solid solvency metrics, with a Solvency II ratio of 190% end at the end of December 2021;
- at the end of 2021, Belfius also showed an excellent liquidity and funding profile with a LCR of 195%[8] and a NSFR of 136%;
- total shareholders' equity (Net Asset Value) further improved to EUR 11.0 billion at the end of December 2021 (against EUR 10.2 billion at the end of 2020).

**5 COVID-19 crisis**

2021 has been the year of COVID-19 pandemic ups and downs. This pandemic, a real life-changer, that had started at the end of February 2020, structurally hit societies' functioning, leading to further societal divide and unease regarding health. However, it has not led to additional material financial market volatility or economic turmoil, in contrast to the year 2020, as both very large monetary and governmental stimulus plans continued.

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

At the end of 2021, out of the EUR 5.4 billion of loans to corporate and business customers that were granted moratorium since the start of the COVID-19 crisis, EUR 0.08 billion were, as at the end of 2021, still subject to payment holidays. 97.1% of corporate and business loans for which the moratorium came to an end, have resumed their normal payments of formerly deferred amounts. For mortgage loans, almost 100% of the clients have resumed the payments (100% in the public sector).

**6 Floods in July 2021**

Perhaps for the first time in history, Belgium experienced a close encounter with climate change. Severe floods occurred back in July 2021, mainly in Wallonia and Limburg. They led to huge infrastructural devastations and very high damage claims for insurers and for Belfius. Although Belfius cannot take away the human suffering, it considers it to be its utmost duty to take all actions to alleviate the material damages suffered by its insured customers. Specific measures have been taken to accelerate the claims handling (greater autonomy for claims experts and picture-based settlements) while advances have been provided swiftly in the case of major insured damage.

Belfius total gross claim cost for the floods of July 2021 in Wallonia and Limburg amounts to EUR 181 million for Corona and Belfius Insurance customers. In total, more than EUR 2 billion of damage was recorded. The financial impact thereof on Belfius Insurance in full-year 2021 accounts remains manageable, thanks to the strong re-insurance contracts Belfius Insurance had put in place many years ago and the intervention of the Regions.

**7 Minimum CET 1 requirements (SREP)**

For 2021, Belfius must comply with a minimum CET 1 ratio of 9.635%, which is composed of:

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[8] Twelve-month average.

- a Pillar 1 minimum of 4.5%;
- a Pillar 2 Requirement (P2R) of 1.125% (after split of 2% P2R);
- a capital conservation buffer (CCB) of 2.5%;
- a buffer for (other) domestic systemically important institutions (O-SII buffer) of 1.5%; and
- a total countercyclical capital buffer of 0.01%.

The countercyclical capital buffer requirement for Belfius increased to 1 bp in June 2021, relating to Belfius' very limited exposures under the countercyclical buffer requirements of Luxembourg.

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

The consolidated CET 1-ratio of Belfius at the end of 2021 stood at 16.37%, well above the 2021 applicable SREP CET 1 capital requirement mentioned above. This enables Belfius to continue supporting the Belgian economy and executing its commercial strategy. Whereas specific and temporary COVID-19 related regulatory relaxations were supporting the CET 1 ratio for an estimated net +87bps as at the end of 2020, this support has decreased to +51bps as at the end of 2021. Thanks to the increasing profit capacity (+158bp CET 1 ratio) Belfius has been able to cope with the strong commercial balance sheet growth (impacting the CET 1 ratio with -87bps), a foreseeable pay-out ratio (-62bps on the CET 1 ratio) and the still on-going stricter regulatory impacts (-71bps) in 2021. CET 1 capital amounted to EUR 10,658 million as at 31 December 2021.

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%, at solo and consolidated levels.

As a result of the annual "Supervisory Review and Evaluation Process" (SREP) finalised by the ECB at the beginning of 2022, Belfius has to comply for 2022 with a minimum CET 1-ratio of 9.708% (including the countercyclical capital buffer), composed of:

- a Pillar 1 minimum of 4.5%;
- a Pillar 2 Requirement (P2R) of 1.198% (after split of 2.13% P2R);
- a capital conservation buffer (CCB) of 2.5%;
- a O-SII buffer of 1.5%; and
- a countercyclical capital buffer (CCyB) of 0.01%.

Note that the ECB also notified Belfius of a Pillar 2 Guidance (P2G) of 0.75% CET 1 ratio for 2022, a recommended buffer to be held over the minimum requirements set out above, resulting in a minimum CET 1 ratio of 10.458%.

## 8 Segment reporting

Analytically, Belfius splits its activities and accounts in three segments: Individuals (IND), Entrepreneurs, Enterprises and Public (E&E&P) and Group Center; with IND and E&E&P being two main cornerstones that replace the previous Retail and Commercial segment and Public and Corporate segment and containing the key commercial activities of Belfius.

- Individuals (IND), managing the commercial relationships with individual customers both at bank and insurance level. Within the Individuals segment, four subsegments are distinguished: savers, investors, private and wealth.

- Entrepreneurs, Enterprises and Public (E&E&P), managing the commercial relationships with public and social sector, business and corporate clients both at bank and insurance level.
- Group Center (GC), containing the residual results not allocated to the two commercial segments. This mainly consists of results from bond and derivative 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 527 branches, its modern interaction platform Belfius Connect, and a large number of automatised self-banking machines. Belfius has also been developing a digital strategy and is now a leader in mobile banking[9], with over 1.79 million active mobile users.

Belfius Insurance offers insurance products to Individuals through Belfius Bank's branch network, as well as through the tied agent network of DVV Insurance. It also offers insurance products through Corona Direct Insurance. Belfius Insurance's business model is increasingly focused on bank-insurance. Belfius Insurance has also integrated the Elantis brand, which offers mortgage loans and consumer loans through independent brokers, booked on the balance sheet of Belfius Insurance, Belfius Bank and a third-party bank.

***Individuals results in 2021***

The Individuals' commercial activity continues to show excellent dynamics despite the COVID-19 crisis environment. As at 31 December 2021, total savings and investments amounted to EUR 118.4 billion, an increase of 9.8% compared to the end of 2019. The organic growth in 2021 amounted to EUR 5.7 billion, stemming mainly from the large increase in non-maturing deposits (saving and payment accounts) and by strong performance in mutual funds & mandates.

In 2021, as was already the case in 2020, customers displayed greater interest in capital-protected products, such as payment accounts and saving accounts, in an environment of volatile stock markets. Non-maturing deposits totalled EUR 61.7 billion as at 31 December 2021, up +7.0% from the end of 2020.The payment and savings accounts outstanding reached EUR 13.3 billion (+12.4%) and EUR 48.4 billion (+5.6%), respectively, at the end of December 2021.

Asset management, bonds and equity investments (including Branch 23) increased strongly by 17.2% compared to the end of 2020, to EUR 47.9 billion. In particular, asset management services have progressed quite well with an increase of 23.4% in 2021. This strong increase stems from both positive market effect and positive organic growth, particularly in the 'funds of the future'. Another development of the investment approach is the launch in 2021 of the Belfius proprietary stock market platform, "Re=Bel".

Other savings and investments amounted to EUR 8.7 billion, down 6.0% compared to the end of 2020. It includes mostly the decreasing investments in Branch 21 life insurance guaranteed products given the low interest rate environment.

Total loans to customers rose strongly (+7.0%) to EUR 45.1 billion as at 31 December 2021. The increase occurred in mortgage loans (+7.7%). Mortgage loans, which account for 91% of all loans for Individuals,

[9] Source: Sia Partners (see https://www.sia-partners.com/en/news-and-publications/from-our-experts/how-does-digital-customer-journey-compare-insurance-sector and https://www.belfius.be/about-us/dam/corporate/press-room/press-articles/downloads/en/2021/Press%20release%20Belfius%20Sia%20Partners%2018%2002%202021.pdf). The information contained on these websites does not form part of this Base Prospectus.

amounted to EUR 40.9 billion at the end 2021, while consumer loans and other loans to Individuals stood at EUR 1.7 billion and EUR 2.6 billion, respectively.

New long-term loans granted to Individuals clients during 2021 amounted to EUR 8.7 billion compared to EUR 7.4 billion in 2020. Despite the COVID-19 crisis, the new production of mortgage loans has been very satisfactory in 2021 and amounted to EUR 7.7 billion. During the same period, EUR 0.7 billion in consumer loans and EUR 0.3 billion in new long-term business loans were granted.

The total insurance production from customers in the Individuals segment amounted EUR 2,232 million in 2021, compared with EUR 1,994 million in 2020, an increase of 12%.

Life insurance production stood at EUR 1,637 million in 2021, up 14.6% compared to 2020. Unit-linked (Branch 23) production went up (+23%) thanks to a successful commercial campaign boosting gross written premiums. Traditional life (Branch 21/26) production decreased (-7%) because of low guaranteed rates and lower transfers due to lower amounts at maturity.

Non-life insurance production in 2021 stood at EUR 595 million, up 5.3% compared to 2020, boosted by Belfius Bank's distribution channel (+10%). The premium collection in DVV Insurance amounted to EUR 270 million, (+2% compared to 2020) and in Corona, Belfius' direct insurer, to more than EUR 67 million, up 2% compared to 2020.

The mortgage loan cross-sell ratio for credit balance insurance further decreased to 129% at the end of 2021. The lower cross-sell is mainly due to a switch of production towards more singles and private clients. The mortgage loan cross-sell ratio for property insurance slightly decreased to 84%.

Total insurance reserves, in the Individuals segment, amounted to EUR 11.6 billion. Life insurance reserves decreased slightly (-3.3%) since the end of 2020 to EUR 10.6 billion at the end of 2021. Unit-linked reserves (Branch 23) increased by 11%, while traditional guaranteed life reserves (Life Branch 21/26) decreased by 11%, demonstrating the continued life product mix transformation from guaranteed products to unit-linked products. Non-life reserves increased slightly from EUR 0.9 billion in 2020 to EUR 1 billion.

Individuals net income after tax increased by 34.3% from EUR 331 million in 2020 to EUR 445 million in 2021.

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

***Business description***

The Business segment brings together the self-employed, the liberal professions (a.o. lawyers, doctors, accountants, etc.) and the SMEs with a turnover up to EUR 10 million. This segment is mainly served by Belfius' branch network.

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

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

Belfius Insurance also sells insurance products to its public and social sector clients. Specific life insurance solutions are offered, especially pension insurance in the first and second pension pillars for civil servants and investment products in Branch 26. Finally, 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.

***E&E&P results in 2021***

As at 31 December 2021, total savings and investments amounted to EUR 61.2 billion, up 9.3% compared to the end of 2020. Non-maturing deposits (saving and payment accounts) increased by EUR 4.5 billion (+12.5%) to EUR 40.4 billion. Asset management, bonds and equity investments increased by EUR 1.3 billion (+11.6%) to EUR 12.3 billion, sustained by positive market effect and positive organic growth.

Total outstanding loans increased to EUR 57.0 billion (+3.4%). Outstanding loans to business customers has grown by EUR 1.0 billion (+7.1%). Outstanding loans corporate has grown by EUR 1.4 billion (+8.0%). In public & social banking, the decrease of outstanding loans continues and is the result of lower demand, increased competition in the segment and a structural shift towards more alternative financing via the (debt) capital markets.

Belfius granted EUR 13.6 billion (+8.2%) in new long-term loans in the Belgian economy to business, corporate and public and social sector clients. In 2021, EUR 4.5 billion in new long-term loans to business clients were granted. The same year, Belfius assisted 16,716 new start-ups.

The production of long-term loans for corporate customers amounted to EUR 6.4 billion, confirming Belfius' position as one of the top four banks in the segment. Its market share in terms of loans increased from 17.5% in 2020 to an estimated 18.5% at the end of 2021.

In 2021, Belfius granted EUR 2.6 billion of new long-term financing to the public sector. Belfius remains the undisputed leader in this market[10] 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 59% (in volumes) of the public sector financing files put out to tender in 2021.

Belfius also strengthened its leading position in the Debt Capital Markets (DCM) for (semi-)public and private companies: in 2021, Belfius Bank issued EUR 7.5 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 increased in terms of underwriting volumes, in particular for:

- Non-life gross written premiums E&E&P: small increase compared to 2020 (+1.3%) to EUR 174 million thanks to growth in the business segment of both bancassurance and DVV offsetting a decrease in the wholesale segment due to the continued implementation of the run-off strategy in wholesale brokers and wholesale bancassurance;
- Production of E&E&P Life which exceeds 2020 by EUR 14 million to EUR 416 million, thanks to solid growth on business pension and slightly higher gross written premiums on wholesale life, with higher production in segregated funds almost offset by lower production in first and second pillar.

Net income after tax increased from EUR 82 million in 2020 to EUR 482 million in 2021. Last year's result was impacted by an exceptional increase of cost of risk provision, as a result of the COVID-19 crisis.

**Group Center (GC)**

Group Center operates through two sub-segments:

- Run-off portfolios, inherited from the Dexia era, which mainly comprise:

[10] Source: estimations of Belfius.

- 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 2021, the ALM Liquidity bond portfolio stood at EUR 6.8 billion[11], down EUR 0.7 billion, or -9%, compared to December 2020. At the end of 2021, the portfolio was composed of sovereign and public sector bonds (62%), covered bonds (30%), corporate bonds (7%) and asset-backed securities (1%). Belgian and Italian government bonds in the ALM Liquidity bond portfolio both amounted to EUR 1.5 billion[12] and EUR 0.9 billion[13] respectively.

At the end of 2021, the ALM Liquidity bond portfolio had an average life of 7.8 years, and an average rating of A- (100% of the portfolio being investment grade) compared with A- at year-end 2020.

***ALM Yield bond portfolio***

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

At the end of 2021, the ALM Yield bond portfolio stood at EUR 3.4 billion[14], up 0.2%, compared with December 2020. At the end of 2021, the portfolio was composed of corporates (72%), sovereign and public sector (12%), asset-backed securities (10%), and financial institutions (6%). Almost 85% of corporate bonds, composed mainly of long-term inflation-linked bonds, are issued by highly regulated UK hospitals, infrastructure companies and utilities such as water and 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 2021, the ALM Yield bond portfolio had an average life of 19.0 years. The average rating of the ALM Yield bond portfolio stood at A-. 96% of the portfolio was investment grade.

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[11] Nominal amount.

[12] Nominal amount.

[13] Nominal amount.

[14] Nominal amount.

***Derivatives with Dexia entities and foreign counterparties***

During the period it was part of the Dexia Group, formerly Dexia Bank Belgium (now Belfius Bank), it was Dexia Group's "competence centre" for derivatives (mainly interest rate swaps): this meant that all Dexia entities were able to cover their market risks with derivatives with Dexia Bank Belgium, mainly under standard contractual terms related to cash collateral. The former Dexia Bank Belgium systematically 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 9.4 billion[15] at the end of 2021, down EUR 2.8 billion, or -23%, compared to EUR 12.2 billion at the end of December 2020.

Derivatives with Dexia entities decreased by 26% (or EUR -2.6 billion) to EUR 7.3 billion at the end of 2021. This decrease is mainly due to amortisations. Derivatives with international counterparties decreased by EUR 0.9 billion (or -9%) to EUR 2.2 billion at the end of 2021.

The fair value of Dexia and international counterparty derivatives amounted to EUR 2.1 billion at the end of 2021. After collateralisation, the Exposure At Default (EAD) amounted to EUR 1.2 billion, an increase due to the adoption of the new SA CCR method for measuring derivatives counterparty credit risk, replacing the CEM method.

At the end of 2021, the average rating of the total portfolio stood at BBB and the average residual life of the portfolio stood at 11.9 years[16].

***Credit guarantees***

At the end of 2021, the credit guarantees portfolio amounted to EUR 2.5 billion[17], down EUR 0.7 billion or -22% compared with December 2020. It relates essentially to Financial Guarantees, and Credit Default Swaps issued on corporate/public issuer bonds (98%) and ABS (2%). 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 final negative basis trade and the total return swaps for an amount of EUR 0.4 billion[18] were unwound in 2021.

At the end of 2021, the average rating of the portfolio stood at BBB+ (compared with A- at year end 2020). The average residual life of the portfolio stood at 10.0 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;

[15] Nominal amount.

[16] Calculated on EAD.

[17] Nominal amount.

[18] Nominal amount.

- 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 7 million in 2021, compared to EUR 117 million in 2020.

## 9 Post-balance sheet events

### Storms February 2022

The three storms Eunice, Dudley and Franklin that took place in Belgium in the weekend of 19 February 2022 are non-adjusting subsequent events and therefore fall outside the scope of the 2021 yearly results. These events will however impact the full-year 2022 non-life insurance results. Although it is too early to provide detailed and precise figures for the financial impact of these storms, Belfius has made a preliminary analysis indicating that the total gross claim cost could be in the region of EUR 40-60 million, based on current indications of the number of claims and the average cost per claim. Considering Belfius' reinsurance program, the financial impact of these events is expected to be lower.

### Conflict Russia-Ukraine

Belfius is closely monitoring the geopolitical risks related to the Russia-Ukraine conflict that started at the end of February 2022. Belfius' direct exposure (Russian, Ukrainian and Belarus counterparties) is below EUR 1 million. The indirect exposure is currently being assessed. First results tend to show that this exposure is very limited. Nevertheless, a workforce is set in place within Belfius to monitor and assess the ongoing uncertainties and potential future material knock-on effects (energy prices, global economic slowdown, …). If this conflict would turn into a more pronounced European or worldwide crisis, Belfius expects to still be able to rely on its strong solvency and liquidity position as well as prudent COVID-19 buffers that can be partially used to absorb economic shocks.

## 10 Risk Management

### Fundamentals of credit risk in 2021

***Retail (Mortgages and Consumer Credits)***

In 2021 several factors have influenced the mortgage lending activity:

- mobility restrictions and the experience of (hard and soft) lockdowns, both in regular life and in international travel, created an extra boost on the demand in the housing market;
- the interest rate environment remained favourable for borrowers;
- based on the first evaluation of the supervisory expectations regarding the lending standards of mortgage loans, the NBB expressed their concern on the buy-to-let market and the market accessibility of younger first-time buyers.

This market environment resulted in an increase of Belfius' mortgage portfolio at the end of 2021 to a FEAD of EUR 39.0 billion. The average PD remained stable at 0.51%.

Supported by the target risk profile of the mortgage production and portfolio and driven by a further fine-tuning of the underwriting rules for specific risk pockets (with respect to Loan to Value (LTV) and Debt Service To Income (DSTI ratios), Belfius succeeded in bringing its mortgage production and portfolio in line with the NBB supervisory expectations, with a special attention to the high LTV segment (>80% and 90%) for both buy-to-let loans and first-time buyer loans. As from 2019, the part of the production with an LTV>90% decreased from 39% to 15%.

The extinction of the public payment deferral schemes did not trigger an increase of payment arrears and consequently allowed a start to be made on reversing part of stage 2 COVID-19 related provisions for clients picking up normal reimbursement for at least six months. Inflow of non-performing loans (NPL) has remained at a very low level, with consequently low stage 3 impairments and a very strong asset quality ratio.

With the rebound of the economy and clients starting to reimburse again, the Cost of Risk has been impacted positively (stage 1 and 2 impairments). We continue to monitor the level of defaults, also from the perspective of a potential impact from the soaring energy prices on weaker clients.

The impacts of the July 2021 floods in the Walloon Region, confirming the emerging risks related to Climate, have been monitored and remained controlled with a limited number of flood-driven payment moratoria and liquidity support loans in the loan portfolios (mortgages as well as E&E).

The production of consumer loans increased slightly resulting in a FEAD at end 2021 of EUR 5.3 billion. The average PD decreased slightly (0.69%).

In the new segmentation, part of Professional Loans (Private and Wealth related), formerly segmented in E&E, has been transferred to Individuals. This part of the portfolio amounts to EUR 2.4 billion by end 2021.

***Entrepreneurs & Enterprises (E&E)***

Until September 2021, the economic circumstances evolved favourably with significant GDP growth, investments and consumption picking up rapidly and the level of bankruptcies remaining low. This evolution was supported by public support programmes, economic stimuli and boosted by an intensive vaccination campaign.

As from the end October however, a fourth COVID-19 contamination wave and the appearance of a new COVID-19 variant reversed the positive trend in the pandemic indicators and urged the government to take new safety measures. A series of economic sectors were hit again by the new restrictions on social activities and events, and although no new complete lockdown was declared, uncertainty about the societal and economic effects of this 4th wave was high.

Since the start of the pandemic, an intensified COVID-19 driven monitoring and screening process has been in place on the Belfius E&E loan portfolio. This portfolio amounted to FEAD EUR 52.4 billion at the end of 2021 and has, so far, shown few signs of deteriorating credit quality, as evidenced by a limited inflow of defaults and bankruptcies and a normalization of the rating downgrades. This implies that the financial impact, that could be expected at the start of the COVID-19 crisis, did not materialize thanks to a combination of a pro-active risk management approach, the strong support of the banking sector and the different public authorities and finally also the good resilience of enterprises and entrepreneurs.

However, looking forward, second-round effects from the pandemic raise concerns about the economic recovery: disruptions of the supply chains, causing shortages and production delays, the scarcity of resources and labour capacity are putting pressure on the activity level in several industries, while energy prices soar and inflation forecasts are peaking.

These concerns need close monitoring. Belfius further strengthened the risk-based screening of its E&E portfolio on clients for which early warning risk indicators 'lighten-up' and that are not yet included on the Watchlist. These clients are systematically screened in order to determine if risk mitigation actions are

necessary. In addition, the enhancement of the process of early warning indicators was further accelerated in order to keep the risks in the E&E segment permanently well under control.

The yearly assessment and review of Belfius' Risk Appetite Framework was performed from the same perspective, with several new credit risk indicators introduced and others refined, in order to safeguard the current sound credit quality and portfolio diversification: an indicator on leveraged transactions was added to the framework, the tolerance level for lower rated transactions was reduced and additional limits on risk concentrations in commercial real estate were applied.

***Public sector clients***

Belfius' loan portfolio to the public and social sector amounted to EUR 38.2 billion end 2021 and contributes to a diversification of Belfius' global loan portfolio. It maintained its historical low risk profile (average PD at 0.10%).

Traditionally Belfius assures a key role in the financing of institutions in the Belgian public and social sector (including hospitals, schools, universities and retirement homes), these sectors being historically at the centre of Belfius' strategy. Belfius provides the clients in these sectors with a wide and integrated range of products and services, including credit lending.

Overall, the public and social sector loans portfolio has always shown high credit standards and it continues to maintain its very low risk profile, although local authorities remain faced with specific challenges, as the expected growth of the pension costs related to their statutory staff, the demographic evolution (the ageing population in general and the population growth in the big cities) and social cohesion, and the impact of the tax shift.

At the federal level and at the level of the regional entities, increasing budget deficits and soaring debts are an point of attention, as Belgian public finances headed for the year 2021 towards historic deficit and debt levels, accelerated by the still lasting sanitary crisis and the July floods.

Projections made by various national and regional organizations indicate that deficits will persist in the upcoming years, causing a further and sharp increase of debt, despite some announced structural deleveraging efforts. This fast-growing indebtedness could become unsustainable in case of an economic or financial shock.

This vulnerability has already led rating agencies to lower the ratings of some of these entities and/or to attach a negative outlook to their current ratings.

Belfius will embed these perspectives about debt and deficit levels into its sound risk management principles while seeking to find the right balance in order to remain a key strong partner of the Public sector.

The current health crisis is affecting municipal finances less than the other governments. Although their accumulated buffer after COVID-19 is shrinking, local authorities still have sufficient financial resources to play a key role in the economic and social recovery. However, local authorities are still confronted with structural problems such as the financing of statutory staff pension costs, which will continue to weigh heavily on their future budgets.

The multiple waves of COVID-19 pandemic weigh heavily on the hospital sector and the battle is not over yet.

It is not only hospital staff who are put to the test. The financial situation of hospitals is also groaning under the pandemic. Various Belfius analyses have shown that hospitals are in principle unable to absorb such a shock. The sector has been confronted with extremely low margins for years. This implies that even a small disruption (e.g. high inflation) can have serious consequences. The current situation also puts pressure on the investment capacity that is necessary to make the hospitals "future proof".

During the first wave, many hospitals faced treasury tensions as a combination of a reduced activity level in regular business and increased expenditures due to the COVID-19. The federal government reacted quickly

with financial compensation and structural funding for the reinforcement of health personnel. These interventions have kept the hospital sector afloat in 2021. However, their financial balance globally remains fragile. At the same time, they face several major challenges. Hospitals are asked to form networks and to tailor the care offer accordingly. Huge investments are needed to transform hospitals digitally, in order to enable better information flows and further to increase cybersecurity. And in the long run, they will not escape stricter standards for energy efficiency and sustainability of infrastructure. That's why a thorough redesign of their financing is urgently required, as foreseen in the current coalition agreement of the federal government.

***Insurance***

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

Exposure to credit risk

Breakdown of credit risk by counterparty:

| (FEAD[19], in EUR billion) | **31 December 2020** | **31 December 2021** |
|---|---|---|
| Central governments | 36.7 | 42.4 |
| Public sector entities | 43.8 | 42.2 |
| Corporate | 41.9 | 47.9 |
| Project finance | 2.6 | 3.0 |
| Retail | 54.6 | 58.2 |
| Financial institutions | 17.2 | 13.7 |
| Other[20] | 6.6 | 6.3 |
| **Total** | **203.4** | **213.8** |

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 2021, the total credit risk exposure within Belfius reached EUR 213.8 billion, an increase of EUR 10.5 billion or 5.1% compared to the end of 2020.

[19] FEAD is Full Exposure At Default. Please note that the total FEAD of 31/12/2020 is different compared to the 2020 annual report, this is due to the fact that the 2020 annual report was excluding equity positions and other assets not qualified as credit exposure, whereas the 2021 annual report is including equity positions and other assets not qualified as credit exposure.

[20] 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 increase is entirely attributable to the banking activity as the credit risk exposure at the level of Belfius Insurance remained almost unchanged at EUR 16.9 billion at the end of 2021.

The increase by EUR 5.7 billion observed on the segment central governments is mostly due to the additional liquidity reserve taken up by Belfius and deposited at the NBB. Nearly half (49%) of the government bonds portfolio is invested in Belgian government bonds at Belfius' level. While at bank level the Belgian government bonds represents 44% 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 (27% of the total) and corporates (23% of the total) constitute the two main categories. The exposure on those categories increased by EUR 3.7 billion and EUR 6.0 billion respectively, reflecting Belfius' strategy to support the Belgian economy. However, a part of the increase observed in the corporates segment is due to a methodological change induced by the CRR2.

The credit risk exposure on public sector entities and institutions that are guaranteed by these public sector entities decreased by EUR 1.7 billion.

The credit risk on monoline insurers is predominantly an indirect risk arising from credit guarantees written by Belfius Bank and reinsured with monoline insurers on bonds issued by counterparties principally active in infrastructure and public utilities projects. With the implementation of CRR2, part of these exposures is now reported under the corporate category. The remaining exposure is included in the category financial institutions.

Belfius' positions are mainly concentrated in the European Union: 93% or EUR 183.0 billion at bank level and 96% or EUR 15.9 billion for Belfius Insurance. The geographic split of total credit risk exposure on European Union is as follows: 70% in Belgium, 4% in France, 0.8% in Spain and Germany and 0.7% in Italy. Belfius' credit risk exposure on the United Kingdom is 4% and on the United States and Canada is 1.1%.

The credit risk exposure to counterparties in the United Kingdom amounted to EUR 8.3 billion. About 70% 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 satisfactory credit quality, and moreover most of the outstanding bonds are covered with a credit protection issued by a credit insurer 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 satisfactory credit quality.

At the end of December 2021, 79% of the total credit risk exposure had an investment grade (IG) internal credit rating.

Asset quality

At the end of 2021, the amount of impaired loans on a consolidated basis amounted to EUR 2,012 million an increase of 0.7% compared to year-end 2020. During the same period, the gross outstanding loans to customers increased by 4.7% and amounted to EUR 103,306 million as the end of 2021. As a consequence, the asset quality ratio improved to 1.95% at the end of 2021. The coverage ratio (i.e., the part secured by collateral) amounted to 60% as at the end of 2021 (being at the same level as at the end of 2020).

Liquidity risk

During 2021, Belfius consolidated its diversified liquidity profile by:

- maintaining a 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 participated in the ECB TLTRO III funding programme for an amount of EUR 15.7 billion with the purpose to finance investment needs of SMEs, social sector and retail clients (mortgage loans excluded).

Belfius Bank closed the year 2021 with a 12-month average LCR of 195%. The LCR of Belfius Bank saw a strong increase after the participation in the TLTRO. Without the extra TLTRO at more advantageous conditions to compensate for the pressure on Belfius Bank's standard transformation model, the LCR remained within our driving range during 2021.

The Net Stable Funding Ratio (NSFR), based on our current interpretation of Basel III rules, stood at 136% at year-end 2021, an increase also explained by the participation in the TLTRO III.

Minimum requirement for own funds and eligible liabilities (MREL)

On 3 March 2022, the NBB notified Belfius that, going forward, it is to execute the Single Resolution Board (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 22.73% of Total Risk Exposure Amount (TREA) and 7.87% 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 previously on 28 January 2021 determined an intermediate target of 22.37% of TREA and 6.84% of LRE which must be met by 1 January 2022.

The SRB MREL instruction also provides for a subordination requirement: Belfius Bank must meet at least 16.61% of TREA and 7.87% 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 4.01% 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 15.25% of TREA and 6.84% of LRE by 1 January 2022 (as previously determined by SRB on 28 January 2021).

With the annual review of MREL requirements by SRB, Belfius currently estimates that its MREL subordination requirement could be lowered from 2024 onwards, to 13.5% of TREA (or 17.51% of TREA including current CBR requirement), based on forward looking assessment of the formula applied by SRB.

Belfius already meets its expected BRRD2 MREL requirements at the end of 2021. Indeed, expressed in TREA, Belfius MREL of EUR 18.8 billion amounted 28.83%.

In the same way, Belfius MREL subordination of EUR 15.0 billion amounts to 23.1% of TREA and 9.6% expressed in LRE.

On 15 March 2022, SRB sent a pro forma letter indicating that the new LRE percentage for 2022 monitoring is 6.76% instead of 7.87%.

Liquidity reserves

At the end of 2021, Belfius Bank had quickly available liquidity reserves of EUR 42.3 billion. These reserves consisted of EUR 31.3 billion in cash, EUR 8.1 billion in ECB eligible bonds (of which EUR 6.9 billion are CCP-eligible (Central Counterparty-eligible), EUR 1.9 billion in other assets also eligible at the ECB and EUR 1.0 billion in other liquid bonds.

These liquidity reserves represent 19.9 times Belfius Bank's institutional funding outstanding at the end of 2021 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 participates 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 in 2021 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.

Regarding the "Other assets" (unencumbered) on balance sheet, they are mainly composed of assets not available for encumbrance such as derivatives value, fair value revaluation of portfolio hedge and tax assets.

At year end 2021 (point-in-time) the sources of asset encumbrance (matching liabilities) mainly consisted of:

- own covered bonds issued (EUR 6.5 billion);
- TLTRO (EUR 15.7 billion);
- derivatives exposures (EUR 10.7 billion);
- securities lending transactions (EUR 0.9 billion).

## 11 Ratings

Between 1 January 2021 and 24 March 2022, rating agencies took the following decisions:

- on 24 June 2021, S&P confirmed the long-term rating of Belfius Bank at A- with Stable outlook;
- on 13 July 2021, Moody's upgraded Belfius junior senior unsecured (non-preferred senior) debt to Baa1 from Baa2 and the junior senior unsecured MTN rating to (P) Baa1 from (P) Baa2. They also confirmed the long-term rating of Belfius Bank at A1 with Stable outlook;
- on 28 October 2021, Fitch confirmed Belfius Bank's long-term rating at A- with Stable outlook;
- on 16 December 2021, S&P raised the long- and short-term ICRs on Belfius Bank to A/A-1 from A-/A-2, the issue ratings on all outstanding senior instruments to A/A-1 from A-/A-2 and the long-term Resolution Counterparty Rating (RCR) to A+ from A. At the same time, S&P affirmed the short-term RCR and the issue ratings on the hybrid instruments and confirmed that the outlook is stable.

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 | Stable | Prime-1 |
| Standard and Poor's ..... | A- | A | Stable | A-1 |

*(*) Intrinsic creditworthiness*

## 12 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.

## 13 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[21]. Their description does not deal with elements or developments 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. Note that, apart from the cases listed below, continued vigilance can be observed in the prevention of money laundering (AML) in the Belgian financial sector. In this context, as is customary, Belfius is collaborating with the Belgian authorities and monitors this closely.

**Housing Fund of the Brussels Capital Region**

On 9 October 2012, the Housing Fund of the Brussels Capital Region (Woningfonds van het Brussels Hoofdstedelijk Gewest/Fonds du Logement de la Région de Bruxelles-Capitale) summoned Belfius Bank before the Brussels Enterprise Court. The Housing Fund subscribed for a total amount of EUR 32,000,000 to

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

four treasury notes issued by Municipal Holding (Gemeentelijke Holding/Holding Communal), placed by Belfius acting as dealer under the Municipal Holding commercial paper programme, between July and September 2011 (Commercial Paper programme). Due to severe financial difficulties encountered by the Municipal Holding, the Housing Fund granted a voluntary waiver to the Municipal Holding on 24 November 2011 and received repayment for EUR 16 million. The Municipal Holding entered into liquidation in December 2011. Due to the intervention of Belfius as dealer of the treasury notes, the Housing Fund demands the payment by Belfius Bank of the non-repaid capital. As the loss incurred on this investment is the result of a voluntary waiver of the claim by the Housing Fund, which matches half of the investment, Belfius Bank rejects the demand from the Housing Fund.

On 27 March 2014, the Brussels Commercial Court accepted the claim application by the Housing Fund but declared it unfounded.

The Housing Fund lodged an appeal against this judgement on 3 June 2014.

The Housing Fund has made public on 29 April 2022 its decision not to appeal in cassation against the judgment of the Court of Appeal dated 28 March 2022. The judgment of the Court of Appeal is therefore final and the Housing Fund litigation can be considered as closed.

**Arco – Cooperative shareholders**

Various parties, including Belfius Bank, have been summoned by Arco – Cooperative shareholders in two separate procedures, i.e. one procedure before the Dutch-speaking Enterprise Court of Brussels and another procedure before the Court of First Instance of Brussels:

- 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 Enterprise 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, *inter alia*:

  - firstly, 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;
  - that, in the alternative, 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) as at the date of this Report. 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 Enterprise 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/shareholders). The case was pleaded during several pleading sessions in June 2021. In its decision announced on 3 November 2021, the Dutch-speaking Enterprise Court of Brussels rejected all the claims of the cooperative shareholders. In January 2022, Deminor announced in the press that the plaintiffs will introduce an appeal against the judgment and that additional judicial proceedings, for new and more plaintiffs, shareholders of Arco entities, may be initiated.

- Furthermore, on 7 February 2018, two cooperative shareholders summoned the Belgian State before the Court of First Instance of Brussels because they state that the Belgian State committed an error by promising and introducing a guarantee scheme for shareholders of financial cooperative companies (like the Arco cooperative 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, and to the knowledge of Belfius, as at the end of June 2020, approximately 5,380 Arco shareholders did so. The VZW Arcoclaim also intervenes in this litigation procedure. There is not yet a pleading calendar in this case.

No provision has been made for these claims because Belfius Bank is of the opinion that it has sufficient valid arguments to result in these claims being declared inadmissible and/or without merit.

**Funding Loss**

Belfius Bank is facing some legal actions regarding the issue of indemnities charged for funding losses incurred by Belfius Bank. The latter are charged to professional clients in the case of early repayment of professional credits. These indemnities are calculated in line with the current legal dispositions and the contractual framework of such credits to reflect the financial losses that are actually incurred by Belfius Bank in the case of early repayment of a professional credit. Belfius booked provisions to cover the potential adverse outcome of litigation proceedings. These provisions are reassessed on an ongoing basis, taking into account the evolution of Belgian case law and the relevant outstanding credits.

**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, *inter alia*, 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 forementioned police search.

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

A public prosecution has been initiated, *inter alia* 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.

## 14 Management and Supervision of Belfius Bank

### Composition of the Management Board and the Board of Directors

#### *1. Management Board*

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

As from 1 January 2019, the Management Board has consisted of the following five members:

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

Since 1 January 2019, the Management Board, in consultation with the Board of Directors, was expanded with three associated members: Mr. Patrick Devis, IT manager, Mrs. Camille Gillon, HR & Building Management manager and Mr. Geert Van Mol, Data & Digital manager. The associated members of the Management Board attended the meetings of Belfius Bank's Management Board in an advisory capacity.

A new organisational structure of Belfius Bank was presented to the Board of Directors on 17 September 2021, whereby: (i) the position of associate member of the Management Board disappeared as of 1 January 2022, (ii) the CTO (Group Chief Technology Officer) attends the Management Board as a permanently invited member as of 1 January 2022 and (iii) digital strategy and digital sales are henceforth integrated into the responsibilities of the PBR and WEP divisions.

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 Companies and Associations Code or by the Banking Law.

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

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

Under the supervision of the Board of Directors, the Management Board takes the necessary measures, including supervisory 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.

***2. Board of Directors***

The Board of Directors defines, after a 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 from 28 April 2021, the Board of Directors consists of sixteen members, five of whom sit on the Management Board.

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

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

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

| **Name** | **Position** | **Significant other functions performed outside Belfius Bank** |
|---|---|---|
| Chris Sunt | Chairman of the Board of Directors of Belfius Bank<br>(Independent Director) | none |
| Marc Raisière | Chairman of the Management Board | none |
| Marianne Collin | Member of the Management Board<br>Chief Risk Officer<br>Responsible for Risk Management and Compliance | none |
| Dirk Gyselinck | Member of the Management Board<br>Responsible for Wealth, Enterprises & Public | none |
| Olivier Onclin | Member of the Management Board<br>Responsible for Private Business & Retail Banking | none |
| Johan Vankelecom | Member of the Management Board<br>Chief Financial Officer, Responsible for Accounting, ALM, Legal & Tax, Strategic Planning and Performance Management (SPPM) | none |
| Paul Bodart | Member of the Board of Directors of Belfius Bank (Independent Director) | Director of companies and non-profit organisations |
| Bruno Brusselmans | Member of the Board of Directors of Belfius Bank (Independent Director) | Chief Information Officer at Luminus-EDF Group |
| Martine De Rouck | Member of the Board of Directors of Belfius Bank (Independent Director) | Consultant |
| Carine Doutrelepont | Member of the Board of Directors of Belfius Bank (Director) | Lawyer and full Professor at the Université Libre de Bruxelles (ULB) |
| Peter Hinssen | Member of the Board of Directors of Belfius Bank (Independent Director) | Entrepreneur, keynote speaker and author |

| Name | Position | Significant other functions performed outside Belfius Bank |
|---|---|---|
| Georges Hübner | Member of the Board of Directors of Belfius Bank (Independent Director) | Full Professor at HEC Liège - University of Liège |
| Isabel Neumann | Member of the Board of Directors of Belfius Bank (Independent Director) | Chief Investment Officer at Shurgard Self StorageChief Investment Officer at Shurgard Self Storage<br>Non-Executive Director at King's college London University |
| Diane Zygas-Rosen | Member of the Board of Directors of Belfius Bank (Independent Director) | Chief Human Resources Officer at Group Sficer at Group S<br>Independent Director at Belgian Red Cross |
| 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.

***3. 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. A Mediation Committee and a Technology Committee have also been installed within the governance of the Belfius group.

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

(1) Nomination Committee

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

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

The members of the Nomination Committee have the required skills, 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 Chairman of the Board of Directors and the Chairman 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, Corona and Belfius Investment Partners.

(2) Remuneration Committee

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

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

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

In order to perform its tasks correctly, the Remuneration Committee interacted regularly with the Risk Committee and the Audit Committee in 2021.

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 most recent follow-up study was realised in 2019. This audit did not raise any particular comments.

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

- developing the remuneration policy, as well as making practical remuneration proposals for the Chairman, the non-executive members of the Board of Directors and the members of the advisory committees 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 Chairman of the Management Board and, on his proposal, for the remuneration of the members of the Management Board; The Board of Directors then determines the remuneration of the Chairman and the members of the Management Board;
- providing advice on the proposals made by the Chairman of the Management Board of Belfius Bank in relation to the severance remuneration for members of 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 Chairman 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, Corona and Belfius Investment Partners.

(3) Audit Committee

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

| **Name** | **Position** |
|---|---|
| Georges Hübner ..... | Chairman<br>Director of Belfius Bank |
| Paul Bodart..... | Member<br>Director of Belfius Bank |
| Martine De Rouck..... | Member<br>Director of Belfius Bank |
| Diane Zygas-Rosen……. | Member<br>Director of Belfius Bank |

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

The Audit Committee assists the Board of Directors in its task of carrying out prudential controls and exercising general supervision. The Audit Committee of Belfius Bank operates independently of the Audit Committee implemented at Belfius Insurance. However, the respective Audit Committees of Belfius Bank and Belfius Insurance held four joint meetings in 2021, in particular when the insurance company's annual financial statements for 2020 and the half-yearly financial statements at 30 June 2021 were presented.

(4) Risk Committee

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

| Name | Position |
|---|---|
| Rudi Vander Vennet..... | Chairman<br>Director of Belfius Bank |
| Martine De Rouck..... | Member<br>Director of Belfius Bank |
| Georges Hübner ..... | 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, 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. quarterly GFCR reporting);
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Recovery Plan.

The Risk Committee operates independently of the Risk & Underwriting Committee of Belfius Insurance. On the request of the Chairman of Belfius Bank's committee, a joint Risk Committee of Belfius Bank and Belfius Insurance may be held. To promote sound remuneration policy and practices, 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.

(5) Mediation Committee

A Mediation Committee has been established within the Belfius group.

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

| | |
|---|---|
| **Chairman** ..... | Chris Sunt<br>Chairman of the Board of Directors of Belfius Bank |
| **Members** ..... | Martine De Rouck<br>Member<br>Director of Belfius Bank |
| | Carine Doutrelepont<br>Member<br>Director of Belfius Bank |
| | Jean-Michel Kupper<br>Member<br>Director of Belfius Insurance |
| | Cécile Coune<br>Member<br>Director of Belfius Insurance |

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

(6) Technology Committee

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

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

| | |
|---|---|
| **Chairman**..... | Paul Bodart<br>Director of Belfius Bank |
| **Members**..... | Bruno Brusselmans<br>Member<br>Director of Belfius Bank |
| | Carine Doutrelepont<br>Member<br>Director of Belfius Bank |
| | Peter Hinssen<br>Member<br>Director of Belfius Bank |
| | Jean-Michel Kupper |

Member
Director of Belfius Insurance

Isabel Neumann
Member
Director of Belfius Bank

Stijn Bijnens
Member
external advisor of Belfius Bank

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.

# SELECTED FINANCIAL INFORMATION

## 1 Consolidated Balance Sheet

| | Notes | 31 December 2020 IFRS 9 | 31 December 2021 IFRS 9 |
|---|---|---|---|
| **Assets** | | *(in thousands of EUR)* | |
| **Cash and balances with central banks** | 5.2 | **25,433,781** | **31,640,347** |
| **Loans and advances due from credit institutions** | 5.3 | **11,911,684** | **10,411,237** |
| Measured at amortised cost | | 11,911,684 | 10,411,237 |
| 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 | **98,108,050** | **102,678,814** |
| Measured at amortised cost | | 96,811,908 | 101,540,978 |
| Measured at fair value through other comprehensive income | | 0 | 99,119 |
| Measured at fair value through profit or loss | | 1,296,142 | 1,038,717 |
| **Debt securities & equity instruments** | 5.5 | **28,848,865** | **27,195,351** |
| Measured at amortised cost | | 22,039,067 | 20,839,937 |
| Measured at fair value through other comprehensive income | | 5,170,430 | 4,959,373 |
| Measured at fair value through profit or loss | | 1,639,368 | 1,396,041 |
| **Unit linked products insurance activities** | | **3,813,059** | **4,245,672** |
| **Derivatives** | 5.6 | **12,188,113** | **8,909,039** |
| **Gain/loss on the hedged item in portfolio hedge of interest rate risk** | 5.6 | **4,631,922** | **3,651,783** |
| **Investments in equity method companies** | 5.7 | **98,880** | **96,107** |
| **Tangible fixed assets** | 5.8 | **1,189,898** | **1,614,068** |
| **Intangible assets** | 5.9 | **195,833** | **214,928** |
| **Goodwill** | 5.10 | **103,966** | **103,966** |
| **Tax assets** | 5.11 | **403,390** | **355,777** |
| Current tax assets | | 33,622 | 27,073 |
| Deferred tax assets | | 369,769 | 328,704 |
| **Technical insurance provisions - part of the reinsurer** | 6.5 | **107,075** | **130,890** |
| **Other assets** | 5.12 | **931,216** | **876,060** |
| **Non current assets (disposal group) held for sale and discontinued operations** | 5.13 | **25,700** | **26,505** |
| **Total assets** | | **187,991,433** | **192,150,543** |

| | Notes | 31 December 2020 IFRS 9 | 31 December 2021 IFRS 9 |
|---|---|---|---|
| **Liabilities** | | *(in thousands of EUR)* | |
| **Cash and balances from central banks** | 6.1 | **14,173,519** | **15,418,072** |
| **Credit institutions borrowings and deposits** | 6.2 | **5,008,193** | **3,591,036** |
| Measured at amortised cost | | 5,008,193 | 3,591,036 |
| Measured at fair value through profit or loss | | 0 | 0 |
| **Borrowings and deposits** | 6.3 | **95,337,975** | **104,404,013** |
| Measured at amortised cost | | 95,286,940 | 104,355,267 |
| Measured at fair value through profit or loss | | 51,036 | 48,746 |
| **Debt securities issued and other financial liabilities** | 6.4 | **24,402,198** | **23,145,353** |
| Measured at amortised cost | | 16,068,804 | 15,116,744 |
| Measured at fair value through profit or loss | | 8,333,394 | 8,028,609 |
| **Unit linked products insurance activities** | | **3,813,059** | **4,245,672** |
| **Derivatives** | 5.6 | **18,310,156** | **14,018,729** |
| **Gain/loss on the hedged item in portfolio hedge of interest rate risk** | 5.6 | **373,447** | **45,766** |
| **Provisions for insurance activities** | 6.5 | **12,659,377** | **12,191,017** |
| **Provisions and contingent liabilities** | 6.6 | **624,107** | **529,173** |
| **Subordinated debts** | 6.7 | **1,150,681** | **1,642,749** |
| Measured at amortised cost | | 1,150,681 | 1,642,749 |
| Measured at fair value through profit or loss | | **0** | **0** |
| **Tax liabilities** | 5.11 | **84,660** | **49,183** |
| Current tax liabilities | | 68,470 | 41,682 |
| Deferred tax liabilities | | 16,190 | 7,502 |
| **Other liabilities** | 6.8 | **1,320,664** | **1,377,031** |
| **Liabilities included in disposal group and discontinued operations** | | **0** | **0** |
| **Total liabilities** | | **177,258,036** | **180,657,795** |

| | Notes | 31 December 2020 IFRS 9 | 31 December 2021 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 | | 5,616,576 | 5,957,910 |
| Net income for the period | | 531,615 | 934,964 |
| **Shareholders' core equity** | | **9,815,490** | **10,560,172** |
| Fair value changes of debt instruments measured at fair value through other comprehensive income | | 213,853 | 108,559 |
| Fair value changes of equity instruments measured at fair value through other comprehensive income | | 121,161 | 179,153 |
| 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 | | (68,761) | (98,352) |
| Remeasurement pension plans | | 69,161 | 132,290 |
| Discretionary participation features of insurance contracts | 6.5 | 57,552 | 81,096 |
| Other reserves | | 208 | 208 |
| **Gains and losses not recognised in the statement of income** | | **393,173** | **402,953** |
| **Total shareholders' equity** | | **10,208,663** | **10,963,126** |
| Additional Tier-1 instruments included in equity | | 497,083 | 497,083 |
| Non-controlling interests | | 27,651 | 32,539 |
| **Total Equity** | | **10,733,397** | **11,492,748** |
| **Total Liabilities and Equity** | | **187,991,433** | **192,150,543** |

## 2 Consolidated Statement of Income

| | Notes | 31 December 2020 IFRS 9 | 31 December 2021 IFRS 9 |
|---|---|---|---|
| | | *(in thousands of EUR)* | |
| Interest income | 7.1 | 3,352,799 | 3,357,376 |
| Interest expense | 7.1 | (1,361,293) | (1,356,009) |

*Selected financial information*

| | Notes | 31 December 2020 IFRS 9 | 31 December 2021 IFRS 9 |
|---|---|---|---|
| | | *(in thousands of EUR)* | |
| Dividend income | 7.2 | 50,265 | 72,853 |
| Net income from equity method companies | 7.3 | 4,848 | 2,449 |
| Net income from financial instruments at fair value through profit or loss | 7.4 | 24,086 | 24,973 |
| Net income on investments and liabilities | 7.5 | 54,517 | 14,842 |
| Fee and commission income | 7.6 | 810,261 | 942,249 |
| Fee and commission expenses | 7.6 | (169,319) | (184,745) |
| Technical result from insurance activities | 7.7 | 67,851 | 72,916 |
| Gross earned premiums | | 1,475,214 | 1,506,818 |
| Other technical income and charges | | (1,407,363) | (1,433,902) |
| Other income | 7.8 | 217,989 | 240,869 |
| Other expense | 7.9 | (438,356) | (484,499) |
| **Income** | | **2,613,649** | **2,703,276** |
| Staff expense | 7.10 | (630,182) | (641,064) |
| General and administrative expenses | 7.11 | (471,136) | (482,642) |
| Network costs | | (211,417) | (220,587) |
| Depreciation and amortisation of fixed assets | 7.12 | (152,184) | (132,833) |
| **Expenses** | | **(1,464,919)** | **(1,477,125)** |
| **Net income before tax and impairments** | | **1,148,730** | **1,226,151** |
| Impairments on financial instruments and provisions for credit commitments | 7.13 | (453,133) | 1,361 |
| Impairments on tangible and intangible assets | 7.14 | (16,614) | (1,797) |
| Impairments on goodwill | 7.15 | 0 | 0 |
| **Net income before tax** | | **678,984** | **1,225,714** |
| Current tax (expense) income | 7.16 | (228,428) | (234,998) |
| Deferred tax (expense) income | 7.16 | 81,069 | (55,100) |
| **Total Tax (expense) income** | | **(147,360)** | **(290,098)** |
| **Net income after tax** | | **531,624** | **935,617** |
| Discontinued operations (net of tax) | | 0 | 0 |
| **Net income** | | **531,624** | **935,617** |
| Attributable to non-controlling interests | | 9 | 653 |
| Attributable to equity holders of the parent | | 531,615 | 934,964 |

# TAXATION ON THE NOTES

*The tax legislation in force in the jurisdiction of a potential investor, in the Issuer's country of incorporation (i.e., Belgium) and in any other relevant jurisdiction may have an impact on the income which may be received from the Notes. The statements herein regarding taxation are based on the laws in force in Belgium as of the date of this Base Prospectus and are subject to any changes in law, potentially with a retroactive effect. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes. Each prospective Noteholder or beneficial owner of Notes should consult its tax advisor as to the Belgian tax consequences of any investment in, or ownership and disposition of, the Notes or that of any other relevant jurisdiction.*

## 1 Belgian taxation

The following is a general description of the principal Belgian tax consequences of subscribing for, acquiring, holding, redeeming, disposing of and/or converting the Notes.

### 1.1 Belgian Withholding tax

All payments by or on behalf of the Issuer of interest on the Notes are in principle subject to the 30% Belgian withholding tax on the gross amount of the interest, subject to such relief as may be available under applicable domestic law or applicable tax treaties.

In this regard, "interest" means the periodic interest income, any amount paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date or upon purchase by the Issuer) and, in case of a realisation of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "**Eligible Investors**", see hereinafter) in an exempt securities account (an "**X Account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the Securities Settlement System operated by the National Bank of Belgium (the "**NBB**" and the "**Securities Settlement System**"). Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France and LuxCSD are directly or indirectly Participants for this purpose.

Holding the Notes through the Securities Settlement System enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Participants to the Securities Settlement System must enter the Notes which they hold on behalf of Eligible Investors in an X Account. Payments of interest made through X Accounts are free of withholding tax.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier/koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*) which include, *inter alia*:

(i) Belgian corporations subject to Belgian corporate income tax as referred to in Article 2, §1, 5°, b) of the Belgian code on income tax of 1992 (*code des impôts sur les revenus 1992/wetboek van de inkomenstenbelastingen 1992*, the "**Income Tax Code 1992**");

(ii) institutions, associations or companies specified in Article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of Article 262, 1° and 5° of the Income Tax Code 1992;

(iii) state regulated institutions (*institutions paraétatiques/parastatalen*) for social security, or institutions which are assimilated therewith, provided for in Article 105, 2º of the Royal Decree implementing the Income Tax Code 1992 (*arrêté royal d'exécution du code des impôts sur les revenus 1992/koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992*);

(iv) non-resident investors provided for in Article 105, 5º of the same decree;

(v) investment funds, recognised in the framework of pension savings, provided for in Article 115 of the same decree;

(vi) taxpayers provided for in Article 227, 2º of the Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to Article 233 of the same code;

(vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Income Tax Code 1992;

(viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and

(ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia,* Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

The above categories only summarise the detailed definitions contained in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Participants to the Securities Settlement System must keep the Notes which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an "**N Account**"). In such instance, all payments of interest are subject to the 30% withholding tax. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Notes between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N Account (to an X Account or N Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X Account or N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Notes between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Notes, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There

is no ongoing declaration requirement to the Securities Settlement System as to the eligible status, save that they need to inform the Participant of any change in the information contained in the statement of their eligible status. However, Participants are required to annually make declarations to the NBB as to the eligible status of each investor for whom they held Notes in an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Notes that the Intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to Notes held in central securities depositaries, as defined by Article 2, §1, 1) of Regulation (EU) n° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, acting as Participants to the Securities Settlement System, provided that (i) they only hold X Accounts, (ii) they are able to identify the holders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by these central securities depositaries acting as Participants include the contractual undertaking that their clients, account owners, are all Eligible Investors.

Hence, these identification requirements do not apply to Notes held in Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France, LuxCSD or any other central securities depository acting as a Participant to the Securities Settlement System, provided that (i) they only hold X Accounts, (ii) they are able to identify the holders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by them include the contractual undertaking that their clients, account owners, are all Eligible Investors.

In accordance with the Securities Settlement System, a Noteholder who is withdrawing Notes from an X Account will, following the payment of interest on those Notes, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Notes from the last preceding Interest Payment Date until the date of withdrawal of the Notes from the Securities Settlement System. As a condition of acceptance of the Notes into the Securities Settlement System, the Noteholders waive the right to claim such indemnity.

1.2 Belgian income tax and capital gains

1.2.1 Belgian resident individuals

Natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*impôt des personnes physiques/personenbelasting*) and who hold the Notes as a private investment, are subject to a withholding tax of 30% on interest payments. The withholding tax constitutes the final taxation, fully discharging them from their personal income tax liability with respect to these interest payments. This means that the interest on the Notes does not have to be declared in their personal income tax return, provided that the Belgian withholding tax of 30% has effectively been levied on the interest.

Nevertheless, Belgian resident individuals may elect to declare interest in respect of the Notes in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 30% (or at the relevant progressive personal income tax rate(s) taking

into account the taxpayer's other declared income, whichever is more beneficial). The Belgian withholding tax levied may be credited.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate (in which case the capital gain will be taxed at 33% plus local municipality surcharge) or unless (and to the extent that) the capital gains qualify as interest (as defined in section 1.1 entitled "*Belgian Withholding Tax*"). Capital losses realised on the disposal of the Notes held as a non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

1.2.2 Belgian resident companies

Interest attributed or paid to corporations Noteholders who are Belgian residents for tax purposes, i.e., who are subject to the Belgian corporate income tax (*impôt des sociétés/ vennootschapsbelasting*), as well as capital gains realised upon the sale of the Notes are taxable at the ordinary corporate income tax rate of in principle 25%, as of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020. Furthermore, small companies (as defined in Article 1:24, §§1-6 of the Belgian Companies and Associations Code) are taxable at the reduced corporate income tax rate of 20% for the first EUR 100,000 of their taxable base.

The withholding tax retained by or on behalf of the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable, all in accordance with the applicable legal provisions.

Capital losses realised upon the sale of the Notes are in principle tax deductible.

Other tax rules apply to investment companies within the meaning of Article 185bis of the Belgian Income Tax Code.

1.2.3 Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax (*impôts des personnes morales/ rechtspersonenbelasting*) which do not qualify as Eligible Investors are subject to a withholding tax of 30% on interest payments. The withholding tax constitutes the final taxation and, in principle, fully discharges their income tax liability.

Belgian legal entities which qualify as Eligible Investors (see section 1.1 entitled "*Belgian Withholding Tax*") and which consequently have received gross interest income are required (if such entities cannot invoke a final withholding tax exemption) to declare and pay the 30% withholding tax to the Belgian tax authorities (which withholding tax then generally also constitutes the final taxation in the hands of the relevant investors).

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest (as defined in section 1.1 entitled "*Belgian Withholding Tax*"). Capital losses are in principle not tax deductible.

1.2.4 Organization for Financing Pensions

Interest and capital gains derived by Organizations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that

has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

1.2.5 Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes, who are not holding the Notes through their permanent establishment in Belgium and who do not invest in the Notes in the context of their Belgian professional activity will not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Notes, provided that they qualify as Eligible Investors and that they hold their Notes in an X Account.

Non-residents who use the Notes to exercise a professional activity in Belgium through a permanent establishment are in principle subject to the same tax rules as the Belgian resident companies (see above).

1.3 Tax on securities accounts

Following the Law of 17 February 2021, a new annual tax on securities accounts was introduced (the Annual Tax on Securities Accounts). The Annual Tax on Securities Accounts is levied on securities accounts of which the average value during the reference period (i.e. for calendar year 2021 beginning on 26 February 2021 and ending on 30 September 2021 and thereafter the period of twelve consecutive months beginning on 1 October and ending, in principle, on 30 September of the next year), exceeds EUR 1 million. The Annual Tax on Securities Accounts is applicable to securities accounts that are held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held with a financial intermediary in Belgium or abroad. The Annual Tax on Securities Accounts also applies to securities accounts held by non-resident individuals, companies and legal entities with a financial intermediary in Belgium. Belgian establishments from Belgian non-residents are however treated as Belgian residents for purposes of the Annual Tax on Securities Accounts so that both Belgian and foreign securities accounts fall within the scope of this tax. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Annual Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed. However, the Annual Tax on Securities Accounts is not levied on securities accounts held by specific types of regulated entities in the context of their own professional activity and for their own account.

Each securities account is assessed separately. When multiple holders hold a securities account, each holder is jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders.

The applicable tax rate is equal to the lowest amount of either 0.15% of the average value of the financial instruments held on the account or 10% of the difference between the average value of the financial instruments held on the account and EUR 1 million. The tax base is the sum of the values of the taxable financial instruments at the different reference points in time (i.e. 31 December, 31 March, 30 June and 30 September) divided by the number of those reference points in time.

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

The Annual Tax on Securities Accounts needs to be withheld, declared and paid by the Belgian intermediary. Intermediaries not established or set up in Belgium have the possibility, when managing a securities account subject to the tax, to appoint a representative in Belgium approved by or on behalf of the Minister of Finance (the Annual Tax on Securities Accounts Representative). The Annual Tax on Securities Accounts Representative is jointly and severally liable vis-à-vis the Belgian State to declare and pay the tax and to fulfil all other obligations for intermediaries related to the Annual Tax on Securities Accounts, such as compliance with certain reporting obligations. In cases where no intermediary has withheld, declared and paid the Annual Tax on Securities Accounts, the holder of the securities account needs to declare and pay the tax himself, unless he can prove that the tax has already been withheld, declared and paid by either a Belgian intermediary or Annual Tax on Securities Accounts Representative of a foreign intermediary. If the holder of the securities accounts itself is liable for reporting obligations (e.g. when a Belgian resident holds a securities account abroad with an average value higher than EUR 1 million), the deadline for filing the tax return for the Annual Tax on Securities Accounts corresponds with the deadline for filing the annual tax return for personal income tax purposes electronically, irrespective whether the Belgian resident is an individual or a legal entity. In the latter case, the Annual Tax on Securities Accounts must be paid by the taxpayer on 31 August of the year following the year on which the tax was calculated, at the latest.

A retroactive anti-abuse provision applying as from 30 October 2020 was also introduced, targeting (i) the splitting of a securities account into multiple accounts held with the same financial intermediary and (ii) the conversion of taxable financial instruments into registered financial instruments. Furthermore, a general anti-abuse provision was introduced.

Several requests for annulment of the law introducing the Annual Tax on Securities Accounts have been filed with the Constitutional Court. If the Constitutional Court were to annul the Annual Tax on Securities Accounts without upholding its effects, all taxpayers will be authorised to claim restitution of the tax already paid.

Investors should consult their own tax advisers in relation to this new Annual Tax on Securities Accounts.

1.4 Tax on stock exchange transactions

A tax on stock exchange transactions (*taxe sur les opérations de bourse/taks op de beursverrichtingen*) will be levied on the purchase and sale in Belgium of the Notes on a secondary market if such transaction is either entered into or carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.12% with a maximum amount of EUR 1,300 per transaction and per party and collected by the professional intermediary. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

The acquisition of Notes upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

Following the Law of 25 December 2016, the scope of application of the tax on the stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). In such a scenario, the tax on the stock exchange transactions is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions due has already been paid by the professional intermediary established outside of Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was

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

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

On 14 February 2013, the EU Commission published a proposal for a Directive for a common financial transaction tax ("**FTT**"). The draft Directive currently stipulates that once the FTT enters into effect, the Participating Member States (as defined below) shall not maintain or introduce any taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into effect. The draft Directive is still subject to negotiation between the Participating Member States and may, therefore, be further amended at any time.

**2 Common reporting standard**

Following recent international developments, the exchange of information is governed by the Common Reporting Standard ("**CRS**"). On 31 January 2022, the total of jurisdictions that have signed the multilateral competent authority agreement ("**MCAA**") amounts to 115. The MCAA is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

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

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU and replaces the EC Council Directive 2003/48EC on the taxation of savings income (commonly referred to as the "**Savings Directive**") as from 1 January 2016.

The Belgian government implemented DAC2, respectively the Common Reporting Standard, pursuant to the law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the "**Law of 16 December 2015**").

As a result of the Law of 16 December 2015, the mandatory exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other non-EU States that have signed the MCAA, as of the respective date determined by Royal Decree. In a Royal Decree of 14 June 2017, as amended, it has been provided that the automatic exchange of information has to be provided (i) as from 2017 (for the 2016 financial year) for a first list of eighteen foreign jurisdictions, (ii) as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions, (iii) as from 2019 (for the 2018 financial year) for another jurisdiction and (iv) as from 2020 (for the 2019 financial year) for a list of 6 jurisdictions.

The Notes are subject to DAC2 and to the Law of 16 December 2015. Under DAC2 and the Law of 16 December 2015, Belgian financial institutions holding the Notes for tax residents in another CRS contracting state shall report financial information regarding the Notes (e.g. in relation to income and gross proceeds) to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

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

**3 The proposed EU financial transaction tax**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a "**Participating Member State**"). Estonia has ceased to participate.

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

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

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

**4 FATCA withholding**

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions

and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

# SUBSCRIPTION AND SALE

Pursuant to a Distribution Agreement dated on or about 3 May 2022 (the "**Distribution Agreement**") between Belfius Bank, the Dealers and the Arranger and subject to the conditions contained therein, the Dealers have agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

Belfius Bank will pay each relevant Dealer a commission in respect of Notes subscribed by them. Belfius Bank has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme.

Belfius Bank have agreed to indemnify the Dealers against certain liabilities relating to any misrepresentation or breach of any of the representations, warranties or agreements of Belfius Bank in connection with the offer and sale of the Notes. The Distribution Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Notes where the Reference Rate 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.

## United States

The Notes 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, unless so registered, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each of the Dealers and Belfius Bank has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Distribution Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", the Issuer will request each Dealer to represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "offer" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for any Notes.

**Prohibition of sales to consumers in Belgium**

The Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to "consumers" (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

**Prohibition of sales to UK Retail Investors**

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", the Issuer will request each Dealer to represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA 2000 and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression "offer" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for any Notes.

## Public Offer Selling Restriction under the Prospectus Regulation and in respect of UK Retail Investors

If the Final Terms in respect of any Notes specify "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above is made to consumers or shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom, except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA 2000,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA 2000 or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

## Other regulatory restrictions in the United Kingdom

Each of the Dealers and Belfius Bank has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for

the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA 2000**");

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA 2000) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA 2000 does not apply to Belfius Bank; and

(c) it has complied and will comply with all applicable provisions of the FSMA 2000 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Belgium

Any offering of the Notes will be exclusively conducted under applicable private placement exemptions and the restrictions described in this section (*Subscription and Sale*) will apply.

Neither the Base Prospectus nor any other offering material related to the Notes will have been or will be approved or reviewed by the Belgian Financial Services and Markets Authority (the *Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*, "**FSMA**"). The FSMA has not commented as to the accuracy or adequacy of any such material or recommended the purchase of the Notes nor will the FSMA so comment or recommend. Any representation to the contrary is unlawful.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers. has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the "**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made available, in each case, in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant the FinSA. No key information document (*Basisinformationsblatt*) according to the FinSA or any equivalent document under the FinSA has been prepared in relation to the Notes and, therefore, Notes may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

In respect of any Tranche of Notes that qualify as derivative debt instruments within the meaning of the FinSA and the Financial Services Ordinance and that will be offered or recommended to private clients within the meaning of the FinSA in Switzerland, the Issuer will prepare a key information document (*Basisinformationsblatt*) according to the FinSA or any equivalent document under the FinSA.

## General

These selling restrictions may be modified by the agreement of Belfius Bank and the Dealers. Any such modification will be set out in the Final Terms issued in respect of the issuance of Notes to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has severally but not jointly agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms in all cases at its own expense.

## FORM OF 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 (an "EU Distributor") should take into consideration [the/each] Manufacturer['s/s'] target market assessment. An EU 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.]**

**[UK MIFIR PRODUCT GOVERNANCE – Solely for the purposes of the product approval process of [the/each] UK Manufacturer (i.e., each person deemed a manufacturer for purposes of the FCA Handbook Product Intervention and Product Governance Sourcebook, hereinafter referred to as a "UK 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, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") ("UK MiFIR")[, and retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA]; [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 COBS, as applicable]. [***Consider any negative target market.***] Any person subsequently offering, selling or recommending the Notes (a "UK Distributor") should take into consideration [the/each] UK Manufacturer['s/s'] target market assessment. A UK Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is, however, responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining [the/each] UK Manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]**

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU, as amended ("MiFID II")][MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "EU PRIIPs**

**Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation.]**

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 ("EUWA")]/[EUWA]; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA 2000") and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]**

**PROHIBITION OF SALES TO CONSUMERS – The Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to "consumers" (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.**

**[ELIGIBLE INVESTORS ONLY – The Notes 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 ("Eligible Investors") holding their Notes in an exempt account that has been opened with a financial institution that is a direct or indirect participant in the Securities Settlement System operated by the NBB.]**

**Final Terms dated [●]**

**Belfius Bank SA/NV**

**Legal Entity Identifier (LEI): A5GWLFH3KM7YV2SFQL84**

Issue of [Aggregate Nominal Amount of Tranche]
[Title of Notes]

under the EUR 10,000,000,000
**Euro Medium Term Note 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 the Base Prospectus dated 3 May 2022 [and the Base Prospectus Supplement[s] dated [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of [Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")]/[the Prospectus Regulation]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all relevant information. The Base Prospectus [and the

supplement[s] to the Base Prospectus dated [●]] [has/have] been published on the website of the Issuer (www.belfius.be/about-us/en/investors) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

[*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus (or equivalent) with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated 5 May 2021 which are incorporated by reference in the Base Prospectus dated 3 May 2022. This document constitutes the Final Terms of the Notes described herein for the purposes of [Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")]/[the Prospectus Regulation] and must be read in conjunction with the Base Prospectus dated 3 May 2022 [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**") in order to obtain all relevant information, save in respect of the Terms and Conditions which are extracted from the Base Prospectus dated 5 May 2021. [The Base Prospectus dated 3 May 2022[, the supplement[s] to the Base Prospectus dated [●]] and the terms and conditions set forth in the Base Prospectus dated 5 May 2021 have been published on the website of the Issuer (www.belfius.be/about-us/en/investors) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

*(Include whichever of the following apply or specify as "Not Applicable". 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.)*

| | | | |
|---|---|---|---|
| 1 | (I) | Series Number: | [ ] |
| | [(II) | Tranche Number: | [ ]]<br>*(delete if not applicable)* |
| | (III) | Date on which Notes become fungible | [Not Applicable] / [The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of Series*] (ISIN: [ ]) on [ ] / [the Issue Date]/[with effect from the date that is 40 days following the Issue Date]] |
| 2 | Specified Currency or Currencies: | | [ ] |
| 3 | Aggregate Nominal Amount: | | [ ] |
| | [(I)] | Series: | [ ] |
| | [(II) | Tranche: | [ ]]<br>*(delete if not applicable)* |
| 4 | Issue Price: | | [ ]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable, insert if Notes are fungible with a previous issue*)] |
| 5 | (I) | Specified Denomination(s): | [ ] [and integral multiples of [ ] in excess thereof up to and including [●]].<br>*(Note: No Notes may be issued which have a minimum denomination of less than EUR 100,000 (or nearly equivalent amount in other currencies.)* |
| | (II) | Calculation Amount: | [ ] |
| 6 | (I) | Issue Date: | [ ] |

| | | | |
|---|---|---|---|
| | (II) | Interest Commencement Date: | [ ] / [Issue Date] / [Not applicable] |
| 7 | Maturity Date: | | [Fixed maturity date: [ ] / [Interest Payment Date falling on or nearest to [ ] (*specify in this format for Floating Rate Notes or CMS-Linked Interest Notes*)]] / [No fixed maturity date: perpetual]<br>*(Note: Subordinated Notes that are included in or count towards the Tier 2 capital of the Issuer will have a minimum maturity of five years or such other minimum maturity as required by the Applicable Banking Regulation.)* |
| 8 | Interest Basis: | | [Not Applicable. The Notes do not bear any interest]<br>[[ ]% Fixed Rate (Further particulars specified in Paragraph 14 of Part A of the Final Terms below)]<br>[[*EURIBOR/ SONIA/€STR/SOFR/alternative reference rate*] [+/-[*Margin*]] Floating Rate, Further particulars specified below]<br>[CMS-Linked Interest Note]<br>[Zero Coupon]<br>[Range Accrual Note]<br>[Resettable Note (Further particulars specified in Paragraph 15 of Part A of the Final Terms below)]<br>*(include all which are relevant)* |
| 9 | Redemption/Payment Basis: | | [Par Redemption] / [Specified Redemption Amount]. |
| 10 | Change of Interest Basis: | | [Applicable. Notes are [Fixed to Floating Rate Notes / Floating to Fixed Rate Notes]] / [Not Applicable] |
| 11 | Call Options: | | |
| | (I) | Call Option:<br>(Condition 3(c)) | [Applicable. Further details specified in Paragraph 19 of Part A of the Final Terms below] / [Not Applicable]. |
| 12 | (I) | Status of the Notes: | [Senior Preferred] / [Senior Non-Preferred] / [Subordinated] Notes |
| | (II) | Subordinated Notes | [Applicable] / [Not applicable]<br>*(if Not applicable, delete the sub-paragraphs under this paragraph)* |
| | | • Condition 3(d) (Redemption upon Capital Disqualification Event) | [Applicable. Further details specified in Paragraph 23 of Part A of the Final Terms below] / [Not applicable] |
| | | • Condition 6(d): Substitution and Variation | [Applicable] / [Not applicable] |
| | (III) | Senior Notes | [Applicable] / [Not applicable]<br>*(if Not applicable, delete the sub-paragraphs under this paragraph)* |

| | | | |
|---|---|---|---|
| | | • Condition 3(f) (Redemption of Senior Notes upon the occurrence of a MREL/TLAC Disqualification Event) | [Applicable. Further details specified in Paragraph 23 of Part A of the Final Terms below] / [Not applicable] |
| | | • Condition 6(d): Substitution and Variation | [Applicable] / [Not applicable] |
| | (IV) | Date of any additional [Board] approval for issuance of Notes obtained: | [ ] [and [ ], respectively]] / [Not Applicable]<br>*(specify if Notes require separate / new authorisation. Otherwise specify "Not Applicable")* |
| 13 | | Method of distribution: | [Syndicated][Non-syndicated] |

**Provisions Relating to Interest (if any) Payable**

| | | | |
|---|---|---|---|
| 14 | | **Fixed Rate Note Provisions** | [Applicable] / [Applicable for the Interest Periods specified below] / [Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (I) | Interest Periods to which Fixed Rate Note Provisions are applicable: | [All] / [Notes are Fixed to Floating Rate Notes, and Fixed Rate Note Provisions shall apply for the following Interest Periods: From and including [the Interest Commencement Date] to but excluding [ ][, from and including [ ] to but excluding [ ]…. and from and including [ ] to but excluding [ ]].] / [Notes are Floating to Fixed Rate Notes, and Fixed Rate Note Provisions shall apply for the following Interest Periods: From and including [ ] to but excluding [ ][, from and including [ ] to but excluding [ ] and from and including [ ] to but excluding [ ]].]<br>*(delete as appropriate)* |
| | (II) | Step-Up Notes: | [Applicable] / [Not Applicable] |
| | (III) | Rate[(s)] of Interest: | [[ ]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]]<br>[for the period from [ ] to [ ] [ ]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] and for the period from [ ] to [ ] [ ]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] |
| | (IV) | Interest Payment Date(s): | [Each [ ] and [ ], from and including [ ] up to and including [ ]] / [[*date*][, [*date*]…. and [*date*]]]<br>[Subject to adjustment in accordance with the Business Day Convention.] |
| | (V) | Interest Period Dates | [Each [ ] and [ ], from and including [ ] up to and including [ ]] / [[*date*][, [*date*]…. and [*date*]]] |

| | | | |
|---|---|---|---|
| | | | [Subject to adjustment in accordance with the Business Day Convention.] / [Not subject to adjustment in accordance with the Business Day Convention.] |
| | (VI) | Business Day Convention: | [Following Business Day Convention] |
| | (VII) | Fixed Coupon Amount[(s)]: | [[ ] per Calculation Amount] / [Not Applicable] |
| | (VIII) | Broken Amount(s): | [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]] / [Not Applicable] |
| | (IX) | Day Count Fraction: | [Actual/Actual][Actual/Actual-ISDA]/[Actual/365(fixed)][Actual/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)]/[ACT/ ACT (ICMA)] |
| | (X) | Determination Dates: | [[ ] in each year][Not applicable] |
| | (XI) | Business Centre(s): | [ ] / [Not Applicable] |
| 15 | **Resettable Note Provisions** | | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (I) | Initial Rate of Interest: | [ ]% per annum payable in arrear on each Resettable Note Interest Payment Date |
| | (II) | Resettable Note Interest Payment Date(s): | [Each [ ] and [ ], from and including [ ] up to and including [ ]] / [[*date*][, [*date*]…. and [*date*]]]<br>[Subject to adjustment in accordance with the Business Day Convention.] |
| | (III) | Interest Period Date(s): | [Each [ ] and [ ], from and including [ ] up to and including [ ]] / [[*date*][, [*date*]…. and [*date*]]]<br>[Subject to adjustment in accordance with the Business Day Convention.] / [Not subject to adjustment in accordance with the Business Day Convention.] |
| | (IV) | Business Day Convention: | [Following Business Day Convention] / [Modified Following Business Day Convention] |
| | (V) | First Margin: | [+/-] [ ]% per annum |
| | (VI) | Subsequent Margin: | [+/-] [ ]% per annum |
| | (VII) | Day Count Fraction: | [Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [ACT/ACT-ICMA] |
| | (VIII) | Determination Dates | [ ] |
| | (IX) | First Resettable Note Reset Date: | [ ] |
| | (X) | Second Resettable Note Reset Date: | [ ] |

| | | | |
|---|---|---|---|
| | (XI) | Subsequent Resettable Note Reset Date[s]: | [[ ], [ ], [ ]] / [Not Applicable] |
| | (XII) | Reset Determination Date[s]: | [[ ], [ ], [ ]] / [Not Applicable] |
| | (XIII) | Relevant Screen Page: | [[ ], [ ], [ ]] / [Not Applicable] |
| | (XIV) | Mid-Swap Rate | [Single Mid-Swap Rate] [Mean Mid-Swap Rate] |
| | (XV) | Mid-Swap Floating Leg Benchmark Rate: | [ ] |
| | (XVI) | Mid-Swap Maturity: | [ ] / [Not Applicable] |
| | (XVII) | Business Centre(s): | [ ] / [Not Applicable] |
| 16 | **Floating Rate Note / CMS-Linked Interest Note Provisions** | | [Applicable. The Notes are [Floating Rate Notes] / [CMS-Linked Interest Notes]] / [Applicable for the Interest Periods specified below] / [Not Applicable]<br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (I) | Interest Periods to which Floating Rate Note Provisions are applicable: | [All] / [Notes are Floating to Fixed Rate Notes, and Floating Rate Note Provisions shall apply for the following Interest Periods: From and including [the Interest Commencement Date] to but excluding [ ][, from and including [ ] to but excluding [ ]…. and from and including [ ] to but excluding [ ]]] / [Notes are Fixed to Floating Rate Notes, and Floating Rate Note Provisions shall apply for the following Interest Periods: From and including [ ] to but excluding [ ][, from and including [ ] to but excluding [ ]…. and from and including [ ] to but excluding [ ]].] / [Not Applicable, the Notes are CMS-Linked Interest Notes.]<br>*(delete as appropriate)* |
| | (II) | Specified Interest Payment Dates: | [Each [ ] and [ ], from and including [ ] up to and including [ ][, subject to adjustment in accordance with the Business Day Convention]] / [Not subject to any adjustment as the Business Day Convention in (IV) below is specified as Not Applicable]<br>(*Specify "Not Applicable" if fallback in Condition 2(m) applies*) |
| | (III) | Interest Period Dates: | [Not applicable] / [ Each [ ] and [ ], from and including [ ] up to and including [ ]]<br>(*Specify "Not Applicable" if fallback in Condition 2(m) applies*) |
| | (IV) | Business Day Convention: | [Following Business Day Convention] / [Modified Following Business Day Convention] / [Not Applicable]<br>(*delete as appropriate*) |
| | (V) | Business Centre(s): | [ ] / [Not Applicable] |
| | (VI) | Reference Banks: | [ ] |
| | (VII) | Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination] / [ISDA Determination] / [CMS-Linked Interest Notes provisions in paragraph (XI) below apply] |
| | (VIII) | Party responsible for calculating the Rate(s) of | [Calculation Agent][*name*] |

| | | |
|---|---|---|
| | Interest and Interest Amount(s): | |
| (IX) | Screen Rate Determination: | [Applicable] / [Not Applicable]<br>(*if Not applicable, delete the sub-paragraphs under this paragraph*) |
| | – Reference Rate: | [ ] / |
| | – Interest Determination Date(s): | [[*date*][, [*date*]…. and [*date*]] / [As specified in Condition 2(m)]<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 [ ]]]] |
| | – Leverage: | [ ] / [Not Applicable] |
| (X) | ISDA Determination: | [Applicable] / [Not Applicable]<br>(*if Not applicable, delete the sub-paragraphs under this paragraph*) |
| | – Floating Rate Option: | [ ] |
| | – Designated Maturity: | [ ] |
| | – Reset Date: | [*date*][, [*date*]…. and [*date*] |
| | – 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 [ ]]]] |
| | – Leverage: | [ ] / [Not Applicable] |
| (XI) | Linear interpolation | [Not Applicable/ Applicable – the Rate of Interest for the [long/ short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| (XII) | 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] |
| (XIII) | Observation Look-back Period: | [*specify number*] [London Banking Days]/[TARGET Settlement Days]/[U.S. Government Securities Business Days] |

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| (XIV) | CMS-Linked Interest Notes: | [Applicable] / [Not Applicable]<br>(*if Not applicable, delete the sub-paragraphs under this paragraph*) |
| | – Reference Rate: (Condition 2(c)(iv)) | [CMS Reference Rate] / [Leveraged CMS Reference Rate] / [CMS Reference Rate Spread] / [Leveraged CMS Reference Rate Spread] applies.<br>(*delete as appropriate*) |
| | – CMS Rate: | [ ] / [CMS Rate 1 and CMS Rate 2]<br>(*specify if CMS Reference Rate or Leveraged CMS Reference Rate are applicable, otherwise specify "CMS Rate 1 and CMS Rate 2".*) |
| | – CMS Rate 1: | [ ] / [Not Applicable]<br>(*specify if CMS Reference Rate Spread or Leveraged CMS Reference Rate Spread are applicable, otherwise specify as "Not Applicable"*) |
| | – CMS Rate 2: | [ ] / [Not Applicable]<br>(*specify if CMS Reference Rate Spread or Leveraged CMS Reference Rate Spread are applicable, otherwise specify as "Not Applicable"*) |
| | – Designated Maturity: | [ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]] |
| | – Reference Currency: | [ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]] |
| | – Interest Determination Date(s): | [ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]]<br>[Subject to adjustment in accordance with the Business Day Convention.] |
| | – Business Day Convention: | [Following Business Day Convention] / [Not subject to adjustment in accordance with the Business Day Convention.]<br>(*delete as appropriate*) |
| | – Specified time: | [ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]] |
| | – Relevant Screen Page: | [ ][For [CMS Rate 1: [ ] and for CMS Rate 2[ ]]] |
| | – 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 [ ]]]] |
| | – Leverage: | [ ] / [Not Applicable] |
| (XV) | Minimum Rate of Interest: | [ ]% / [Not Applicable] |
| (XVI) | Maximum Rate of Interest: | [ ]% / [Not Applicable] |

| | | |
|---|---|---|
| | (XVII) Day Count Fraction: | [Actual/Actual][Actual/Actual-ISDA]/[Actual/365(fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)]/[ACT/ ACT (ICMA)] |
| | (XVIII) Determination Date | [ ] |
| 17 | **Zero Coupon Note Provisions** | [Applicable] / [Not Applicable]<br>(*if Not applicable, delete the sub-paragraphs under this paragraph*) |
| | (I) Amortisation Yield: | [__]% per annum |
| | (II) Day Count Fraction | [Actual/Actual][Actual/Actual-ISDA]/[Actual/365(fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)]/[ACT/ ACT (ICMA)] |
| | (III) Determination Date | [ ] |
| 18 | **Range Accrual Provisions** | [Applicable] / [Not Applicable]<br>(*if Not applicable, delete the sub-paragraphs under this paragraph*) |
| | (I) Reference Rate: | [ ] |
| | (II) Specified Rate: | [[ ]%] |
| | (III) Upper Barrier: | [ ] |
| | (IV) Lower Barrier: | [ ] |
| | (V) Maximum Rate of Interest: | [ ]% / [Not Applicable] |
| | (VI) Minimum Rate of Interest: | [ ]% / [Not Applicable] |
| | (VII) Day Count Fraction: | [Actual/Actual][Actual/Actual-ISDA]/[Actual/365(fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)]/[ACT/ ACT (ICMA)] |
| | (VIII) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): | [Calculation Agent][*name*] |
| | (IX) Specified Interest Payment Dates: | Each [ ] and [ ], from and including [ ] up to and including [ ][, subject to adjustment in accordance with the Business Day Convention] / Not Applicable<br>(*Specify "Not Applicable" if fallback in Condition 2(m) applies*) |
| | (X) Interest Period Dates: | [Not applicable] / [ Each [ ] and [ ], from and including [ ] up to and including [ ]]<br>(*Specify "Not Applicable" if fallback in Condition 2(m) applies*) |
| | (XI) Business Day Convention: | [Following Business Day Convention] / [Modified Following Business Day Convention]<br>(*delete as appropriate*) |

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| | (XII) | Business Centre(s): | [ ] / [Not Applicable] |
| | **Provisions Relating to Redemption** | | |
| 19 | **Call Option (Condition 3(c))** | | [Applicable]/[Not Applicable]<br>(*if Not applicable, delete the sub-paragraphs under this paragraph*) |
| | (I) | Optional Redemption Date(s): | [ ] [Subject to adjustment in accordance with the Business Day Convention.] |
| | (II) | Business Day Convention: | [Following Business Day Convention] / [Modified Following Business Day Convention]<br>(*delete as appropriate*) |
| | (III) | Redemption Amount (Call) of each Note: | [Specified Redemption Amount] / [Par Redemption] |
| | (IV) | Specified Fixed Percentage Rate: | [[ ]%] / [[ ]% in respect of the Optional Redemption Date falling on [ ], [ ]% in respect of the Optional Redemption Date falling on [ ]] / [Not Applicable]<br>(*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100%*) |
| | (V) | If redeemable in part: | [Applicable]/[Not Applicable] |
| | | (a) Minimum Nominal Redemption Amount: | [ ] / [Not Applicable] |
| | | (b) Maximum Nominal Redemption Amount: | [ ] / [Not Applicable] |
| | (VI) | Notice period: | [ ] |
| 20 | **Final Redemption Amount of each Note** | | [Specified Redemption Amount] / [Par Redemption] |
| | (I) | Specified Fixed Percentage Rate: | [[ ]%] / [Not Applicable]<br>(*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100%*) |
| 21 | **Zero Coupon Note Redemption Amount of each Zero Coupon Note** | | [Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount] |
| | (I) | Specified Fixed Percentage Rate: | [[ ]%] / [Not Applicable]<br>(*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100%*) |

22 **Early Redemption**

| | | |
|---|---|---|
| (I) | Tax Event Redemption Amount (Condition 3(e)) | [Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount] / [Not Applicable]<br>(*Note: the Specified Fixed Percentage Rate must be at least 100%*) |
| | (a) Specified Fixed Percentage Rate: | [[ ]%] / [Not Applicable]<br>(*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100%*) |
| | (b) Amortisation Yield: | [[ ]%] / [Not Applicable]<br>(*Specify only if "Amortised Face Amount" is selected.*) |
| | (c) Day Count Fraction: | [Actual/Actual][Actual/Actual-ISDA]/[Actual/365(fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)]/[ACT/ ACT (ICMA)]<br>(*Specify only if "Amortised Face Amount" is selected.*) |
| (II) | Redemption upon the occurrence of a Tax Event (Condition 3(e)) | Redemption [on any Interest Payment Date] / [on any Resettable Note Interest Payment Date] / [at any time] after the occurrence of a Tax Event which is continuing |
| (III) | Capital Disqualification Event Early Redemption Price (Condition 3(d)) | [Specified Redemption Amount, and the Specified Fixed Percentage Rate is [ ]%] / [Par Redemption] / [Not applicable]<br>(*Note: the Specified Fixed Percentage Rate must be at least 100%)* |
| (IV) | Redemption upon Capital Disqualification Event | Redemption [on any Interest Payment Date] / [on any Resettable Note Interest Payment Date] / [at any time] after the occurrence of a Capital Disqualification Event which is continuing |
| (V) | MREL/TLAC Disqualification Event Early Redemption Price (Condition 3(f)): | [Specified Redemption Amount, and the Specified Fixed Percentage Rate is [ ]%] / [Par Redemption] / [Not applicable]<br>*(Note: the Specified Fixed Percentage Rate must be at least 100%)* |
| (VI) | Event of Default Redemption Amount (Condition 11): | [Specified Redemption Amount] / [Par Redemption] / [Amortised Face Amount]<br>(*Note: the Specified Fixed Percentage Rate must be at least 100%*) |
| | (a) Specified Fixed Percentage Rate: | [[ ]%] / [Not Applicable]<br>(*Specify only if "Specified Redemption Amount" is selected. Note: the Specified Fixed Percentage Rate must be at least 100%*) |
| | (b) Amortisation Yield: | [[ ]%] / [Not Applicable]<br>(*Specify only if "Amortised Face Amount" is selected.*) |
| | (c) Day Count Fraction: | [Actual/Actual][Actual/Actual-ISDA]/[Actual/365(fixed)][Actual/360][30/360][360/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)]/[ACT/ ACT (ICMA)]<br>(*Specify only if "Amortised Face Amount" is selected.*) |

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|---|---|---|
| 23 | **Substitution (Condition 7)** | [Applicable] / [Not Applicable] |

**General Provisions Applicable to the Notes**

| | | |
|---|---|---|
| 24 | Business Day Jurisdictions for payments | [ ] |

Signed on behalf of the Issuer:

By: .....
Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

| | |
|---|---|
| (i) Admission to trading: | [Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be listed on [the official list of the [Luxembourg Stock Exchange] and admitted to trading on the Regulated Market of the [Luxembourg Stock Exchange]]] / [*other stock exchange specify relevant regulated market and also any third country market, SME Growth Market or MTF].* / [Not Applicable.]<br>(*Where documenting a fungible issue need to indicate that the original notes are already admitted to trading*.) |
| (ii) Earliest day of admission to trading: | [Application has been made for the Notes to be admitted to trading with effect from [ ].] / [On or around [ ].] / [Not applicable.] |
| (iii) Estimate of total expenses related to admission to trading: | [ ] |

### 2 RATINGS

| | |
|---|---|
| Ratings: | [The Notes to be issued have been specifically rated:<br>[S & P: [ ]]<br>[Moody's: [ ]]<br>[Other: [ ]]<br>[The Notes to be issued have not been specifically rated, but Notes of the type being issued under the Programme generally have been rated:<br>[S & P: [ ]]<br>[Moody's: [ ]]<br>[Other: [ ]]<br>*(The above disclosure should reflect the rating allocated to the Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*<br>*Insert one (or more) of the following options, as applicable*:[1]<br>***Option 1 - CRA established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit*** |

[1] A list of registered Credit Rating Agencies is published on the ESMA website (https://www.esma.europa.eu/).

***rating agency established and registered in the UK or certified under the UK CRA Regulation***

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). [[*Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list*]) on the ESMA website http://www.esma.europa.eu.]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]/ [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.

***Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"), although notification of the corresponding registration decision has not yet

been provided by the [relevant competent authority] /[European Securities and Markets Authority]. [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website http://www.esma.europa.eu.]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation (UK)**").] **/** [[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] **/** [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

***Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website

http://www.esma.europa.eu.]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation (UK)**").] **/** [[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]**/** [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

***Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation***

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on [FCA website]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes to be issued under the Programme is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**").] [[*Insert legal name of*

*particular credit rating agency entity providing rating*] has been certified under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**").] [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EU) No 1060/2009, as amended (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

***Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the EU CRA Regulation AND/OR under the UK CRA Regulation***

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but the rating it has given to the Notes to be issued under the Programme is endorsed by [[*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**")][and][[*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

***Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation but CRA is certified under the EU CRA Regulation AND/OR under the UK CRA Regulation***

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but is certified under [Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**")][and][ Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"].

***Option 7 - CRA neither established in the EEA or the UK nor certified under the EU CRA***

***Regulation or the UK CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation***

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**") or Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation.

*(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

*(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)].

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)*

4 **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer

[See ["Use of Proceeds"] in Base Prospectus/Give details]

[The Notes constitute Green Bonds and an amount equivalent to the net proceeds will be used to finance and/or refinance Eligible Green Assets as described in the Green Bond Framework of the Issuer. 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 Bonds*" 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*

| | | |
|---|---|---|
| | | *what is disclosed in the Base Prospectus, give details here.)* |
| | Estimated net proceeds | [ ] |
| 5 | ***Fixed Rate Notes only* - YIELD** | [Not Applicable]<br>*(if Not applicable, delete the sub-paragraph under this paragraph)* |
| | Indication of yield: | [ ] [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.] |
| 6 | ***Floating Rate Notes or CMS-Linked Interest Notes only* – Historic Interest Rates** | [Not Applicable]<br>*(if Not applicable, delete the sub-paragraph under this paragraph)* |
| | Details of historic [EURIBOR][SONIA][€STR][SOFR][CMS Rate] rates can be obtained from [*Reuters page]* | |
| 7 | ***Range Accrual Notes only – Historic Reference Rates*** | [Not Applicable]<br>*(if Not applicable, delete the sub-paragraph under this paragraph)* |
| | Details of historic [EURIBOR][CMS Rate] rates can be obtained from [*Reuters page]* | |
| **8** | **OPERATIONAL INFORMATION** | |
| | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are to be held in a manner which would allow Eurosystem eligibility and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No.] |
| | Eligible Investors: | [The Notes offered by the Issuer 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.][2] / [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.] |
| | ISIN Code: | [ ] |

[2] Where Final Terms relate to an issuance where SONIA, SOFR or €STR is selected as the Reference Rate, this option must always apply.

| | |
|---|---|
| [Temporary ISIN Code:] | [ ] |
| Common Code: | [ ] |
| [Temporary Common Code:] | [ ] |
| [CFI: | [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available] |
| [FISN: | [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]<br>*(If the CFI and/or FISN is not required or requested it/they should be specified to be "Not Applicable")* |
| Delivery: | Delivery [against/free of] payment |
| Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| Name and address of Calculation Agent (if any): | [ ] |
| [Name and address of the operator of the Alternative Clearing System] | [ ] |
| 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 Regulation (EU) 2016/1011 (the "**EU Benchmark Regulation**").] / [As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011 (the "**EU Benchmark Regulation**").] / [As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmark Regulation apply, such that [*name of administrator*] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]<br>As at the date hereof, [[*specify benchmark*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation |

(EU) No. 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmark Regulation**")]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the UK Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of UK Benchmark Regulation apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence)]

**9 DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| | If syndicated: | |
| | (A) Names and addresses of Dealers and underwriting commitments: | [Not Applicable/*give names, addresses and underwriting commitments*] |
| | (B) Date of [Subscription] Agreement: | [●] |
| | (C) Stabilising Manager(s) if any: | [Not Applicable/*give name*] |
| | If non-syndicated, name and address of Dealer: | [Not Applicable/*give name and address*] |
| (ii) | Additional Selling Restrictions: | [Not applicable/*give details*] |
| (iii) | US Selling Restrictions (Categories of potential investors to which the Notes are offered): | Reg. S Compliance Category 2; TEFRA not applicable |
| (iv) | Prohibition of Sales to EEA Retail Investors: | [Applicable / Not Applicable]<br>(*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*) |
| (v) | Prohibition of Sales to UK Retail Investors. | [Applicable]/[Not Applicable]<br>*(If the offer of the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the offer of the Notes may constitute "packaged" products and no key information documents will be prepared, "Applicable" should be specified.)* |

## GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.

2. Belfius Bank has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issue and performance of the Notes. The update of the Programme by Belfius Bank was authorised by a resolution of the Management Board of Belfius Bank passed on 27 April 2022.

3. Belfius Bank is an Authorised European Institution and is included on the Credit Institutions Register of the EBA.

4. Save as disclosed under the section "*Description of the Issuer*" on pages 108 to 137 of this Base Prospectus, there has been no material adverse change in the prospects of Belfius Bank on a consolidated basis since 31 December 2021.

5. Save as disclosed under the section "*Description of the Issuer – Post-balance sheet events*" on page 118 of this Base Prospectus, there has been no significant change in the financial position or the financial performance of Belfius Bank since 31 December 2021.

6. Save as disclosed under the section "*Description of the Issuer – Litigation*" on pages 125 to 127 of this Base Prospectus, neither Belfius Bank nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Belfius Bank is aware) during the twelve months preceding the date of this Base Prospectus which may have or have had in the recent past significant effects, on the financial position or profitability of Belfius Bank or any of its subsidiaries.

7. The Notes have been accepted for clearance through the Securities Settlement System operated by the National Bank of Belgium. The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any Alternative Clearing System) for each Series of Notes will be set out in the applicable Final Terms. Access to the Securities Settlement System is available through those of the participants in the Securities Settlement System whose membership extends to securities such as the Notes. Participants in the Securities Settlement System include certain banks, stockbrokers, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa, Euroclear France or LuxCSD.

8. As at the date of this Base Prospectus, the address of the National Bank of Belgium (i.e., the operator of the Securities Settlement System) is Boulevard de Berlaimont 14, B-1000 Brussels, Belgium and the address of the operator of any Alternative Clearing System will be specified in the applicable Final Terms.

9. As at the date of this Base Prospectus, there are no material contracts entered into other than in the ordinary course of Belfius Bank's business, which could result in Belfius Bank being under an obligation or entitlement that is material to Belfius Bank's ability to meet its obligations to Noteholders in respect of the Notes being issued.

10. The issue price and the amount of the relevant Notes will be determined before filing of the applicable Final Terms of each Tranche, based on then prevailing market conditions.

11. For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will be available for inspection on the website of the Issuer (www.belfius.be/about-us/en/investors):

    (i) the articles of association of Belfius Bank;

(ii) this Base Prospectus and any supplements and each Final Terms; and

(iii) the annual report and audited annual accounts of Belfius Bank for the financial years ended 31 December 2020 and 31 December 2021, including the reports of the statutory auditor in respect thereof.

The Agency Agreement will, so long as any Notes are outstanding, be available for inspection, during normal business hours on any weekday (Saturdays and public holidays excepted), at the specified office of the Paying Agent.

The Base Prospectus and the Final Terms of tranches listed on the Luxembourg Stock Exchange and all documents that have been incorporated by reference in the Base Prospectus will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

12. No entity or organisation has been appointed to act as representative of the Noteholders. The provisions on meetings of Noteholders are set out in Condition 10 (*Meeting of Noteholders and modification to Agency Agreement*) and Schedule 1 (*Provisions on meetings of Noteholders*) to the Conditions.

13. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. If any of the Dealers or their affiliates has a lending relationship with the Issuer, certain of the Dealers or their affiliates routinely hedge, and certain other of those Dealers or their affiliates may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

14. The audit of Belfius Bank's financial statements was conducted by KPMG Reviseurs d'Entreprises SCRL, represented by Olivier Macq and Kenneth Vermeire (members of IBR – IRE *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*) in relation to the audit of the consolidated financial statements of Belfius for the financial year ended 31 December 2020 and 31 December 2021. They have rendered an unqualified audit report on the financial statements of Belfius Bank for the financial year ended 31 December 2020 and 31 December 2021.

**REGISTERED OFFICE OF BELFIUS BANK SA/NV**

Place Charles Rogier 11
B-1210 Brussels
Belgium

**DEALERS**

**Barclays Bank Ireland PLC**
One Molesworth Street
Dublin 2
D02RF29
Ireland

**Belfius Bank SA/NV**
Place Charles Rogier 11
B-1210 Brussels
Belgium

**BNP Paribas**
16, boulevard des Italiens
75009 Paris
France

**BofA Securities Europe SA**
51 Rue La Boétie
75008 Paris
France

**Citigroup Global Markets Europe AG**
Reuterweg 16
60323 Frankfurt am Main
Germany

**Commerzbank Aktiengesellschaft**
Kaiserstrasse 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

**Crédit Agricole Corporate and Investment Bank**
12, Place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

**Credit Suisse Bank (Europe), S.A.**
Calle de Ayala, 42
28001 Madrid
Spain

**J.P. Morgan SE**
Taunustor 1 (TaunusTurm)
60310 Frankfurt-am-Main
Germany

**Landesbank Baden-Württemberg**
Am Hauptbahnhof 2
70173 Stuttgart
Germany

**Morgan Stanley Europe SE**
Grosse Gallusstrasse 18
60312 Frankfurt-am-Main
Germany

**NatWest Markets N.V.**
Claude Debussylaan 94
1082 MD Amsterdam
Netherlands

**Nomura Financial Products Europe GmbH**
Rathenauplatz 1, 60313
Frankfurt-am-Main
Germany

**Société Générale**
Immeuble Basalte
17 Cours Valmy
92987 Paris La Défense Cedex
France

**UBS AG London Branch**
5 Broadgate
London EC2M 2QS
United Kingdom

**UniCredit Bank AG**
Arabellastrasse 12
D-81925 Munich
Federal Republic of Germany

**CALCULATION AGENT**

**Belfius Bank SA/NV**

Place Charles Rogier 11
B-1210 Brussels
Belgium

**FISCAL AGENT**

**Belfius Bank SA/NV**

Place Charles Rogier 11
B-1210 Brussels
Belgium

**PRINCIPAL PAYING AGENT**

**Belfius Bank SA/NV**

Place Charles Rogier 11
B-1210 Brussels
Belgium

**PAYING AGENT**

**Belfius Bank SA/NV**

Place Charles Rogier 11
B-1210 Brussels
Belgium

**ARRANGER**

**Société Générale**
Immeuble Basalte
17 Cours Valmy
92987 Paris La Défense Cedex
France

**LUXEMBOURG LISTING AGENT**

**Banque Internationale à Luxembourg SA**
69, route d'Esch
L-1470 Luxembourg
Luxembourg

**AUDITORS**

**KPMG Reviseurs d'Entreprises SCRL**
Gateway building, Luchthaven Nationaal 1 K
1930 Zaventem
Belgium

**LEGAL ADVISERS**

**To the Issuer**

**Linklaters LLP**
Rue Brederodestraat 13
1000 Brussels
Belgium

**To the Dealers**

**White & Case LLP**
62, Rue de la Loi
1040 Brussels
Belgium