BELFIUS BANK SA/NV

(incorporated with limited liability in Belgium)

EUR 500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities

This prospectus (the "**Prospectus**") constitutes a prospectus in relation to the issue of EUR 500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities (the "**Securities**") by Belfius Bank SA/NV ("**Belfius Bank**" or the "**Issuer**").

The issue price of the Securities is 100 per cent. of their principal amount.

The Securities will, subject to an interest cancellation as described below, bear interest on their Prevailing Principal Amount (as defined in the terms and conditions of the Securities, the "**Conditions**") on a non-cumulative basis. Interest will be payable semi-annually in arrear on 6 May and 6 November in each year (each an "**Interest Payment Date**") and will accrue from (and including) 6 November 2024 (the "**Issue Date**") to (but excluding) 6 November 2031 (the "**First Reset Date**") at a fixed rate of 6.125 per cent. *per annum*. The first payment of interest will be made on 6 May 2025. The rate of interest will reset on the First Reset Date and each date which falls five, or a multiple of five, years after the First Reset Date (each, a "**Reset Date**").

The Issuer may elect, in its sole and absolute discretion, at any time on or before the scheduled payment date, to cancel (in whole or in part) the payment of interest on the Securities otherwise scheduled to be paid on any date. Furthermore, interest shall be cancelled (in whole or in part, as applicable) if, and to the extent that (a) the payment of such interest (together with any Additional Amounts (as defined in the Conditions), if applicable), when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Securities or on any other own funds items in the then current financial year (excluding any such interest payments or other distributions which (A) are not required to be made out of Distributable Items (as defined in the Conditions) or (B) have already been provided for, by way of deduction, in the calculation of Distributable Items) and any other amounts which the Competent Authority (as defined in the Conditions) may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded, (b) the payment of such interest (together with any Additional Amounts, if applicable) would cause, when aggregated together with other distributions of the kind referred to in Article 101, §1 of the Belgian Banking Law (as defined in the Conditions) (transposing Article 141(2) of the Capital Requirements Directive (as defined in the Conditions)) or any other relevant provisions of the Belgian Banking Law, the Maximum Distributable Amount (as defined in the Conditions) (if any) then applicable to the Issuer on a solo or consolidated basis to be exceeded, (c) the payment of such interest (together with any Additional Amounts, if applicable) has been limited or suspended by the Relevant Resolution Authority (as defined in the Conditions) in accordance with Article 10a of the SRM Regulation (as defined in the Conditions) and/or Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD (as defined in the Conditions) or any other relevant provisions of the Belgian Banking Law due to such payment exceeding the MREL-Maximum Distributable Amount (as defined in the Conditions) (if any) then applicable to the Issuer on a consolidated basis or (d) the Competent Authority orders the Issuer to cancel the payment of interest. Any interest (or part thereof) that has been cancelled is no longer payable by the Issuer or considered accrued or owed to the holders of Securities (the "**Securityholders**"). Securityholders shall have no right thereto whether in a bankruptcy (*failissement/faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise. See Condition 3.2 (*Interest cancellation*).

The Prevailing Principal Amount of the Securities will be written down if, at any time, either the Solo CET1 Ratio or the Consolidated CET1 Ratio (each as defined in the Conditions) is less than 5.125 per cent. Securityholders may lose some or substantially all of their investment in the Securities as a result of such a write-down. Following such write-down, the Prevailing Principal Amount may, at the Issuer's discretion, be written-up to the Original Principal Amount (as defined in the Conditions) if certain conditions are met. See Condition 7 (*Principal Write-down and Principal Write-up*).

The Securities will constitute direct, unconditional, unsecured, unguaranteed and deeply subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves. The Securities shall, subject to applicable law, rank (a) junior to the claims of all unsubordinated creditors of the Issuer, (b) junior to the rights and claims of holders of all subordinated indebtedness of the Issuer (including Tier 2 Capital Instruments (as defined in the Conditions)) other than: (i) any Junior Obligations (as defined in the Conditions) and (ii) any Parity Securities (as defined in the Conditions), (c) *pari passu* without any preference among themselves and *pari passu* with any Parity Securities and (d) senior only to the rights and claims of holders of any class of share capital of the Issuer and any obligation that ranks, or is expressed to rank, junior to the Issuer's obligations under the Securities. See Condition 2 (*Status of the Securities*).

The Securities are perpetual and have no fixed maturity date and Securityholders do not have the right to call for their redemption. As a result, the Issuer is not required to make any payment of the principal amount of the Securities at any time prior to its winding-up. The Issuer may, at its option, redeem the Securities (i) on any day falling in the period commencing on (and including) 6 May 2031 and ending on (and including) the First Reset Date and (ii) on every Interest Payment Date thereafter (each, an "**Issuer Call Date**") in whole, but not in part, at their Prevailing Principal Amount together with any accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Conditions) to, but excluding, the date of redemption and any Additional Amounts, if applicable. The Issuer may also, at its option, redeem the Securities in whole, but not in part, at any time at their Prevailing Principal Amount together with any accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Conditions) to (but excluding) the date of redemption and any Additional Amounts, if applicable, upon the occurrence of a Tax Gross-up Event, a Tax Deductibility Event, a Regulatory Event or an MREL/TLAC Disqualification Event (each as defined in the Conditions) or if 75 per cent. or more of the aggregate Original Principal Amount of the Securities originally issued (and, for these purposes, any further Securities issued pursuant to Condition 13 (*Further Issues*) will be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled. The Issuer may in any case also redeem the Securities if the Prevailing Principal Amount of the Securities is lower than the Original Principal Amount at such time. See Condition 5 (*Redemption and Purchase*). In addition, the Issuer may, if a Tax Gross-up Event, a Tax Deductibility Event, a Regulatory Event, an MREL/TLAC Disqualification Event or an Alignment Event has occurred and is continuing, substitute all of the Securities or vary the terms of all of the Securities so that they become or remain (as the case may be) Qualifying Securities (as defined in the Conditions).

As from the First Reset Date, amounts payable under the Securities are calculated by reference to the mid-swap rate for euro swaps with a term of 5 years which appears on the Reuters screen "ICESWAP2" as of 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date (as defined in the Conditions) which is provided by ICE Benchmark Administration. As at the date of this Prospectus, ICE Benchmark Administration does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011, as amended (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that ICE Benchmark Administration is not currently required to obtain recognition, endorsement or equivalence.

The Securities are complex financial instruments and are not a suitable or appropriate investment for all investors, especially retail investors. For a discussion of these risks see the section "*Risk factors*". Investors should review and consider these risk factors carefully before purchasing any Securities. In particular, investors should review and consider the risk factors relating to a write-down and the impact this may have on their investment. This Prospectus does not necessarily describe all the risks linked to an investment in the Securities and 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. Prospective investors should carefully consider the risks set forth in this Prospectus and reach their own views prior to making any investment decision and consult their professional advisers.

Prospectus dated 4 November 2024.

This Prospectus has been approved on 4 November 2024 by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") as a prospectus within the meaning of Article 6.3 of the Prospectus Regulation for the purpose of giving information relating to the issue by the Issuer of the Securities. It must be read in conjunction with all information incorporated by reference herein. The CSSF has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer. This approval should not be considered as an endorsement of the Issuer or of the quality of the Securities. Investors should make their own assessment as to the suitability of investing in the Securities.

Application has been made to the Luxembourg Stock Exchange for the Securities to be listed on the Official List and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU, as amended ("**MiFID II**").

This Prospectus is valid for twelve months as from its date, being until 4 November 2025. In the event of a significant new factor, material mistake or material inaccuracy, the obligation of the Issuer to supplement the Prospectus will apply only until the Securities are admitted to trading on the regulated market of the Luxembourg Stock Exchange, pursuant to Article 12(1) of the Prospectus Regulation.

The Securities are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available (i) to retail clients in the European Economic Area, as defined in MiFID II, (ii) to retail clients (as defined in the UK Financial Conduct Authority Conduct of Business Sourcebook) in the United Kingdom or (iii) in Belgium to "consumers" (*consumenten*/*consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht*/*Code de droit économique*) dated 28 February 2013, as amended (the "Belgian Code of Economic Law"). Prospective investors are referred to the section "*Restrictions on marketing and sales*" starting on page 6 of this Prospectus for further information.

The Securities will be issued in minimum denominations of EUR 200,000 and integral multiples thereof. The Securities will be issued in dematerialised form in accordance with the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen*/*Code des Sociétés et des Associations*), as amended (the "**Belgian Companies and Associations Code**") and will be represented by a book-entry in the records of the securities settlement system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB-SSS**"). The Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account (X-account) that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.

The Securities and any non-contractual obligations arising therefrom or in connection therewith shall be governed by, and construed in accordance with, Belgian law.

The Securities are expected to be rated BB+ by S&P Global Ratings Europe Limited ("**S&P**") and Baa3 by Moody's France S.A.S. ("**Moody's**"). Each of S&P and Moody's is established in the European Union and is registered under Regulation (EU) No 1060/2009, as amended. Each of S&P and Moody's is displayed on the latest update of the list of registered credit rating agencies on the ESMA website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The Securities 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, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any State of the United States or any other jurisdiction.

Global Coordinator

Citigroup

Joint Lead Managers

Belfius Bank **BNP Paribas** **BofA Securities**

Citigroup **UBS Investment Bank**

IMPORTANT INFORMATION

GENERAL

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section "*Documents incorporated by reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated into, and form part of, this Prospectus. Unless expressly incorporated by reference into this Prospectus, information contained on websites mentioned herein does not form part of this Prospectus.

The Joint Lead Managers (as defined in the section "*Subscription and sale*") have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained in or incorporated by reference into this Prospectus or any other information provided by the Issuer in connection thereto. None of the Joint Lead Managers accepts any liability in relation to the information contained in or incorporated by reference into this Prospectus or any other information provided by the Issuer in connection thereto. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Prospectus.

To the fullest extent permitted by law, no Joint Lead Manager accepts any responsibility for the contents of this Prospectus and no Joint Lead Manager accepts any responsibility for any statement made, or purported to be made, by any other Joint Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the Securities. Each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

No person is or has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with this Prospectus or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or by any of the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this 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 Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the offering of the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. If at any time the Issuer shall be required to prepare a supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Prospectus.

Neither this Prospectus nor any other information supplied in connection with this Prospectus or the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation (or a statement of opinion) by the Issuer or by any of the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the Prospectus or the Securities should purchase the Securities. Each investor contemplating purchasing the Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither this Prospectus nor any other information supplied in connection with the issue of the Securities constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase the Securities.

FORWARD LOOKING STATEMENTS

This 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 the 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 in the past come under market pressure; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the 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, or similar to, the Covid-19 pandemic and the conflict in Ukraine 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 Prospectus.

PRESENTATION OF INFORMATION

This 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.

Any information in this Prospectus sourced from a third party has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFER OF THE SECURITIES GENERALLY

This Prospectus has been approved for the purposes of the listing of the Securities on the Official List and the admission to trading of the Securities on the regulated market of the Luxembourg Stock Exchange and does not constitute an offer to sell or the solicitation of an offer to buy the Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Prospectus and the offer or sale of the Securities may be restricted by law in certain jurisdictions. Neither the Issuer nor the Joint Lead Managers represent that this Prospectus may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility

for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Prospectus or the Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of the Securities. For a description of certain restrictions on offers and sales of the Securities and on distribution of this Prospectus, see the section *"Subscription and sale"*.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended. The Securities may not be offered, sold or delivered 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) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any State of the United States or any other jurisdiction.

THE SECURITIES ARE COMPLEX FINANCIAL INSTRUMENTS

Potential investors are advised to exercise caution in relation to the offering of the Securities. If a potential investor is in any doubt about any of the contents of this Prospectus, it should obtain independent professional advice. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

The Securities are complex financial instruments and are not a suitable or appropriate investment for all investors, especially retail investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus;

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

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

(iv) understand thoroughly the terms of the Securities, including the provisions relating to the payment and cancellation of interest, any write-down of the Securities, the redemption or substitution of the Securities and any variation of their terms, and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be 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.

A potential investor should not invest in the Securities unless it has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Securities will perform under changing conditions, the resulting

effects on the value of the Securities and the impact this investment will have on the potential investor's overall portfolio.

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) the Securities are legal investments for it, (ii) the Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

RESTRICTIONS ON MARKETING AND SALES

The Securities are complex financial instruments and are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions (including Belgium and the United Kingdom), regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities to retail investors. Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).

In Belgium, the Securities are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, to "consumers" (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended (the "**Belgian Code of Economic Law**").

In the United Kingdom, the Financial Conduct Authority (the "**FCA**") Conduct of Business Sourcebook ("**COBS**") requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4, each a "**retail client**") in the United Kingdom.

By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or any of the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

(i) it is not a retail client in the European Economic Area ("**EEA**") or the United Kingdom;

(ii) it is not a consumer *(consument*/*consommateur*) within the meaning of the Belgian Code of Economic Law in Belgium;

(iii) it will not sell or offer the Securities (or any beneficial interest therein) to retail clients in the EEA or the United Kingdom or communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA or the United Kingdom;

(iv) it will not sell, offer or otherwise make the Securities available to "consumers" within the meaning of the Belgian Code of Economic Law in Belgium; and

(v) it will at all times comply with the applicable laws and regulations relating to the offering of investment instruments (such as the Securities) to "consumers" within the meaning of the Belgian Code of Economic Law in Belgium, including (without limitation) the provisions of the Belgian Code of Economic Law.

The obligations listed above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the United Kingdom) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under MiFID II or the

FCA Handbook Product Intervention and Product Governance Sourcebook as to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.

In selling or offering the Securities or making or approving communications relating to the Securities, prospective investors may not rely on the limited exemptions set out in COBS.

Each potential investor should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or any of the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding on both the agent and its underlying client(s).

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Securities are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in the 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(I) of MiFID II or (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(I) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation / Prohibition of sales to UK retail investors – The Securities are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in 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) 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**UK FSMA 2000**") and any rules or regulations made under the UK 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(l) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"). Consequently, no key information document required by the PRIIPs regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each EU manufacturer's product approval process (i.e., each person deemed a manufacturer for purposes of MiFID II), the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the Securities are incompatible with the knowledge, experience, needs, characteristic and objectives of retail clients and accordingly the Securities shall not be offered or sold to any retail clients. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the EU manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the EU manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/Professional investors and eligible counterparties only target market – Solely for the purposes of the UK manufacturer's product approval process (i.e., the person deemed a manufacturer for purposes of the FCA Handbook Product Intervention and Product Governance Sourcebook), the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, as defined in COBS, and professional clients only, as defined in UK MiFIR and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the Securities are incompatible with the knowledge, experience, needs, characteristic and objectives of retail clients and accordingly the Securities shall not be offered or sold to any retail clients. Any distributor should take into consideration the UK manufacturer's target market assessment. However, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the UK manufacturer's target market assessment) and determining appropriate distribution channels.

The Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account (X-account) that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.

SUPPLEMENT

Pursuant to Article 23 of the Prospectus Regulation, the Issuer will, in the event of a significant new factor, material mistake or material inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of the Securities and which occurs or is identified between the time of the approval of the Prospectus and the time at which trading on the regulated market of the Luxembourg Stock Exchange commences, have to publish a supplement to the Prospectus containing this information. This supplement will (i) need to be approved by the CSSF and (ii) be published in compliance with at least the same conditions applicable to the Prospectus. The Issuer must ensure that any such supplement is published as soon as possible after the occurrence of such significant new factor, material mistake or material inaccuracy.

STABILISATION

In connection with the issue of the Securities, Citigroup Global Markets Europe AG (the "**Stabilisation Manager**") may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. Stabilisation may, however, not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager, in accordance with all applicable laws and rules.

CURRENCIES

In this Prospectus, unless otherwise specified or the context otherwise requires, references 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 "**U.S.$**" or "**USD**" are to the lawful currency of the United States.

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RISK FACTORS

An investment in the Securities involves a degree of risk. The Securities are being offered to professional investors only and are not suitable for retail investors. Prospective investors are referred to the section "Restrictions on marketing and sales" starting on page 6 of this Prospectus for further information.

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 Securities or the Issuer's ability to fulfil its obligations under the Securities. 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 Securities are also described below.

The Issuer believes that the factors described below represent the principal known risks inherent in investing in the Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Securities may occur for other reasons which are not known to the Issuer or which the Issuer deems immaterial at this time. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make payments due in respect of the Securities. The Issuer may not be aware of all relevant factors and certain factors which it currently deems not be material may become material as a result of the occurrence of events outside the Issuer's control.

Prospective investors should carefully consider the risks set forth below and read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision and consult their professional advisers.

In accordance with the requirements of the Prospectus Regulation, the most material risk factors within each category have been presented first according to an assessment made by the Issuer based on the probability of their occurrence and the expected magnitude of their potential negative impact. The exact order in which the remaining risk factors are presented is not necessarily indicative of the probability of those risks actually occurring or of the scope of any potential negative impact thereof.

In case of doubt in respect of the risks associated with the Securities 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 Securities, the appropriate tools to analyse that investment and the suitability of that investment in each investor's particular circumstances. No investor should purchase the Securities described in this 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 Securities. The market value can be expected to fluctuate significantly, and investors should be prepared to assume the market risks associated with the Securities.

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

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

RISKS RELATED TO BELFIUS

Belfius is subject to credit risk in respect of customers and counterparties, which may be amplified by a concentration risk

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

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

While credit risk remains relatively low at Belfius, certain categories of exposures are subject to higher credit risk than others. In particular, the commercial real estate sector is currently facing significant challenges, triggered by low demand, high interest rate and an inflationary environment, leading to higher supply in construction and stress on the funding capabilities of the commercial real estate actors.

As a result of geographical concentration of its activities, Belfius is particularly exposed to the risk of adverse economic and political conditions emerging in Belgium. Any deterioration in the economic environment in Belgium could lead to an increase in Belfius' cost of risk and its impaired loan book, for example as a result of an increase in unemployment rates and/or decreases in house prices. Furthermore, due to its significant long-dated exposures to Italian sovereign bonds, Belfius is also exposed to the risk of adverse economic and political conditions in Italy. Consequently, a material deterioration in Italy's financial situation could have a negative impact on Belfius' solvency and increase its income volatility.

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

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

In addition, through its run-off portfolios, including Assured Guaranty, a monoline insurance provider, Belfius is exposed to some concentration risks with respect to certain of its individual counterparties, such as in the UK utilities sector. In view of the long maturity of the run-off portfolio, these concentrations are not expected to decline rapidly. A deterioration of Assured Guaranty's credit quality would however have a negative impact on risk-weighted assets

and potentially cost of risk ("**CoR**"). Deteriorations or defaults within the run-off portfolios could lead to important losses, mainly where the position is not guaranteed or in case of a default of the guarantor. In case Belfius would be forced to sell those positions before maturity, it could in some cases also lead to significant losses. Belfius is also exposed to concentration risks related to certain other counterparties which could lead to significant losses in the event of default, particularly in cases where the current CoR materially underestimates the potential losses that could occur if a default materialises. For inflated bonds for example, impact in case of default can be exacerbated by a rupture in the hedge relation between the bond and the inflated swap used to cover the cash flows.

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

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

If Belfius is unable to manage its credit risk effectively, its business, results of operations, financial condition and prospects could be materially adversely affected.

Changes in (future) profitability may have an adverse effect on Belfius

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

A large number of factors could trigger profitability issues for Belfius. General economic and geopolitical environment as well as the monetary policy are among the most important factors determining bank profitability. An economic downturn or recession could create adverse effects on the financial performance in several of Belfius' segments, particularly in sectors that are currently more vulnerable, such as commercial real estate or the public sector, as well as certain individual files.

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

The currently inverted yield curve (with longer terms interest rates remaining lower than the current short term rates) is also affecting the transformation margin. This margin, which Belfius earns by borrowing on a short-term basis and issuing loans on a longer-term basis, is being squeezed, resulting in a negative impact on profitability, especially in highly competitive segments such as mortgages. If the re-inversion of the curve is delayed, preferences for short term products may regain and affect Belfius' net interest income.

In Belfius' business and general management activities (including the management of its liquidity and yield portfolios), interest rate risk arises from the different re-pricing characteristics of its assets and liabilities. Interest rates affect the cost and sources of funding available to Belfius, product margins and, in turn, its net interest margin and revenue. Interest rates also affect the Belfius' net interest income, impairment levels and customer affordability.

In some activities, and in line with general financial market practices, Belfius has balance sheet hedges in place that are sensitive to an interest rate that is not fully and perfectly correlated to the interest rate risk that it is meant to hedge. This results in residual basis risk.

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

Belfius is subject to fluctuations caused by market risks

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

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

There can be no assurance that the risk profile of the run-off portfolios will not deteriorate during the remainder of their lifetimes. Despite the underlying good creditworthiness of most exposures in these portfolios, their long-term maturity, their single-name and industry concentration and their liquidity profile result in a higher sensitivity of the fair value of those run-off portfolios to adverse macroeconomic conditions for instance compared to Belfius Bank's core business portfolios.

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

Belfius' activities are subject to non-financial risks, including operational, reputational, compliance and legal risks

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

Any disruptions to Belfius' operational processes or IT systems, including as a result of internal or external fraud, hacking or other cybercrime, or the adoption of or migration to new systems could adversely affect the overall operational or financial performance of Belfius' business, as well as harm its reputation and/or attract increased regulatory scrutiny and intervention (including sanctions), any of which could have a material adverse effect on its business, results of operations, financial condition and prospects.

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

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

If any of these risks would occur, Belfius could be subject to investigative or enforcement actions by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations and/or reputational damage or damage to its brands. For example, on 4 September 2024 Belfius Bank concluded a settlement (*règlement transactionnel*) with the FSMA consisting of the payment of an amount of EUR 1 million by Belfius Bank, its commitment to reinforce its legal risk management and a publication, by name, on the FSMA's website. For further information, see the section 5.1 entitled "*Composition of the Management Board and the Board of Directors*" of the section "*Description of the Issuer*".

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

Belfius is subject to risks affecting its liquidity

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

The liquidity risk of Belfius is mainly stemming from:

- commercial funding collected from customers and the way these funds are allocated to customers through different types of loans/products;
- the volatility of collateral that is to be deposited at counterparties as part of the CSA framework for derivatives and repo transactions (so called cash & securities collateral);

- the value of the liquid reserves by virtue of which Belfius can collect funding on the repo market and/or from the ECB;
- the capacity to obtain interbank and institutional funding; and
- the concentration risk of funding sources, counterparties and maturities.

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

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

In periods of increasing illiquidity of an increasing amount of assets in the financial markets, Belfius may be unable to sell or buy assets at market efficient prices and may therefore realise lower sale prices potentially leading to investment losses, or have to pay higher acquisition prices potentially leading to opportunity losses. In addition, increasingly illiquid markets could result in Belfius being required to hold higher levels of liquid but hence lower yielding assets in its liquidity buffer, or having to raise or hold additional funds for operational purposes through additional unprofitable financings.

Despite the current liquidity buffer, if Belfius were to face difficulties in accessing funding, including, for example, as a result of competitive pressures on savings, or in meeting the aforementioned liquidity ratios, its business, results of operations, financial condition and prospects could be materially adversely affected.

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

RISKS RELATED TO THE SECURITIES

Risks relating to the Conditions

The Securities constitute deeply subordinated obligations

The Securities constitute unsecured and deeply subordinated obligations of the Issuer. As a result, 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 the Securities against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the

Securities shall, subject to applicable law, rank: (i) junior to the claims of all unsubordinated creditors of the Issuer, (ii) junior to the rights and claims of holders of all other indebtedness of the Issuer (including Tier 2 Capital Instruments) other than: (x) any Junior Obligations and (y) any Parity Securities, (iii) *pari passu* without any preference among themselves and *pari passu* with any Parity Securities and (iv) senior only to the rights and claims of holders of any class of share capital of the Issuer and any other obligation that ranks, or is expressed to rank, junior to the Issuer's obligations under the Securities.

Therefore, if the Issuer were to be dissolved or liquidated, any payment by the liquidator would 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, its depositors, other unsubordinated rights and claims and higher-ranking subordinated claims have been satisfied in full. If the Issuer does not have sufficient assets to settle such claims in full, the claims of the holders of the Securities will not be met and, as a result, the holders will lose the entire amount of their investment in the Securities.

In addition, the Securities will share equally in payment with Parity Securities. In the event of a dissolution or liquidation of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the claims under the Securities, payments relating to holders of other obligations or capital instruments of the Issuer that rank or are expressed to rank *pari passu* with the Securities may, if there are insufficient assets to satisfy the claims of all of the Issuer's *pari passu* creditors, further reduce the assets available to pay amounts due under the Securities on a liquidation or dissolution of the Issuer.

Before the occurrence of any event referred to above, holders of the Securities may already have lost the whole or part of their investment in the Securities as a result of a write-down of the principal amount of the Securities following a Trigger Event and/or a write-down or conversion into equity of the principal amount of the Securities following the exercise of Statutory Loss Absorption Powers by the Relevant Resolution Authority. In this respect, please also refer to the risk factors entitled "*The principal amount of the Securities may be reduced (Written Down) to absorb losses*" and "*A Holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*".

According to Article 48(7) of the BRRD (as transposed into Belgian law by an amendment to Article 389/1 of the Belgian Banking Law), liabilities resulting from fully or partially recognised own funds instruments (within the meaning of the Capital Requirements Regulation and including the Securities) shall rank junior to all other liabilities. This entails 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 Capital Requirements Regulation shall rank senior to any liabilities fully or partially recognised as an own funds instrument. Accordingly, in the event of a liquidation or dissolution of the Issuer, the Issuer will, among other things, be required to pay subordinated creditors of the Issuer, whose claims arise from liabilities that are no longer fully or partially recognised as an own funds instrument (within the meaning of the Capital Requirements Regulation, and which could include securities expressed to be ranking *pari passu* if they are no longer so recognised) in full before it can make any payments on the Securities which continue to be at least partially recognised as own fund instruments at the time of the opening of the dissolution or liquidation procedure.

Although the Securities may pay a higher rate of interest than securities which are not, or not as deeply, subordinated, there is a real risk that an investor in deeply subordinated securities such as the Securities will lose all or some of its investment should the Issuer be dissolved or liquidated or otherwise encounter financial difficulties.

The Issuer is not prohibited from issuing additional debt, which may rank pari passu with or senior to the Securities

The Terms and Conditions of the Securities do not limit the amount of liabilities ranking senior or *pari passu* in priority of payment to the Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the Securities, nor do they restrict the Issuer in issuing Additional Tier 1 Capital Instruments with other write-down mechanisms or trigger levels or that convert into shares upon a trigger event. The

Issuer may be able to incur significant additional secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness. If the Issuer becomes insolvent or is liquidated, or if payment under any secured or unsecured unsubordinated and/or prior-ranking subordinated debt obligations is accelerated, the Issuer's secured or unsecured unsubordinated or, as the case may be, prior-ranking subordinated lenders would be entitled to exercise the remedies available to a secured or unsecured unsubordinated and/or prior-ranking subordinated lender before the holders.

Unsubordinated liabilities of the Issuer may also arise from events that are not reflected on the balance sheet of the Issuer, including, without limitation, insurance or reinsurance contracts, derivative contracts, the issuance of guarantees or the incurrence of other contingent liabilities on an unsubordinated basis. Claims made under such guarantees or such other contingent liabilities will become unsubordinated liabilities of the Issuer that in a winding-up or insolvency proceeding of the Issuer will need to be paid in full before the obligations under the Securities may be satisfied.

As a result, the Securities are subordinated to any secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness that the Issuer may incur in the future. If any event referred to in the risk factor entitled "*The Securities constitute deeply subordinated obligations*" were to occur, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Securities and the holders may therefore recover rateably less (if anything) than the lenders of the Issuer's secured or unsecured unsubordinated debt and/or prior-ranking subordinated debt in the event of the Issuer's bankruptcy or liquidation. Even if the claims of senior ranking creditors would be satisfied in full, holders may still not be able to recover the full amount due because the proceeds of the remaining assets must be shared pro rata among all other creditors holding claims ranking *pari passu* with the claims of the holders in respect of the Securities.

Also, the incurrence of additional capital instruments with interest cancellation provisions similar to the Securities may increase the likelihood of (partial) interest payment cancellations under the Securities if the Issuer is not able to generate sufficient Distributable Items or to maintain adequate capital buffers to make interest payments falling due on all outstanding capital instruments of the Issuer in full. In this respect, please also refer to the risk factor entitled "*The Issuer may elect not to pay interest on the Securities or in certain circumstances be required not to pay such interest*".

If the Issuer's financial condition were to deteriorate, investors could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), investors could suffer loss of their entire investment.

The Issuer may elect not to pay interest on the Securities or in certain circumstances be required not to pay such interest

Discretionary cancellation of interest

The Issuer may, in its sole and absolute discretion, at any time on or before the scheduled payment date elect to cancel the payment of any interest, in whole or in part, which is scheduled to be paid on any date without any restriction on the Issuer thereafter.

The obligations of the Issuer under the Securities are senior in ranking to the ordinary shares of the Issuer. It is the Issuer's current intention that, whenever exercising its discretion to propose any dividend or distributions in respect of the ordinary shares of the Issuer, or its discretion to cancel the payment of interest under the Securities, it will take into account the relative ranking of these instruments in its capital structure. However, the Issuer may at any time depart from this policy at its sole and absolute discretion.

Mandatory cancellation of interest

The Issuer will be required to cancel the payment of all or some of the interest otherwise falling due on the Securities in circumstances where the relevant interest payment (together with any additional amounts payable in accordance with Condition 8, if applicable):

- would cause the Distributable Items (if any) then available to the Issuer to be exceeded;
- would, if certain capital buffers are not maintained and such payment (when aggregated together with other distributions referred to in Article 101, §1 of the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or any other relevant provisions of the Belgian Banking Law, cause the Maximum Distributable Amount (if any) then applicable to the Issuer on a solo or consolidated basis to be exceeded, or
- has been limited or suspended by the Relevant Resolution Authority in accordance with Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD) or any other relevant provisions of the Belgian Banking Law or Article 10a of the SRM Regulation due to such payment exceeding the MREL-Maximum Distributable Amount (if any) then applicable to the Issuer on a consolidated basis,

all as more fully set out in the Terms and Conditions of the Securities.

In addition, the Competent Authority may order the Issuer to cancel interest payments on Additional Tier 1 Capital Instruments such as the Securities. Any accrued but unpaid interest will be cancelled up to the Trigger Event Write-down Date following the occurrence of a Trigger Event.

Distributable Items

Distributable Items relate to the Issuer's profits and distributable reserves determined on the basis of the Issuer's non-consolidated accounts as further described in Condition 3.2(b). The amount of Distributable Items available to pay interest on the Securities may be affected, among other things, by other discretionary interest payments on other (existing or future) capital instruments, including Common Equity Tier 1 ("**CET1**") distributions and any write-ups of principal amounts of Discretionary Temporary Write-down Instruments (if any). In addition, the amount of Distributable Items may potentially be adversely affected by the performance of the business of the Issuer in general, factors affecting its financial position (including capital and leverage ratios and requirements), the economic environment in which the Issuer operates and other factors outside of the Issuer's control. Adjustments to earnings, as determined by the Board of Directors of the Issuer, may furthermore fluctuate significantly and may materially adversely affect the Distributable Items of the Issuer. As at 30 June 2024, the Issuer's available Distributable Items (on statutory level) were approximately EUR 5.7 billion.

Maximum Distributable Amount

The Maximum Distributable Amount is a concept which will apply in circumstances where the Issuer does not meet certain combined capital buffer requirements.

Under Article 141(2) of the Capital Requirements Directive, Member States of the European Union must require that institutions that fail to meet the combined buffer requirement (broadly, the combination of the capital conservation buffer, the countercyclical capital buffer imposed by the macroprudential authorities (NBB or SSM) and the higher of (depending on the institution) the systemic risk buffer, the global systemically important institutions ("**G-SIIs**") buffer and the other systemically important institutions ("**O-SIIs**") buffer, in each case as applicable to the institution) will be subject to restricted discretionary payments (which are defined broadly by CRD IV as distributions in connection with CET1 capital, payments on Additional Tier 1 Capital Instruments (including interest amounts on the Securities and any write-ups of principal amounts (if applicable) and payments of discretionary staff remuneration)). These rules were transposed into Belgian law under Articles 100 and 101 of the Belgian Banking Law, read together with Schedule 5 of the Belgian Banking Law.

In the event of a breach of the combined buffer requirement, the restrictions under Article 141(2) of the Capital Requirements Directive will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the institution's profits for the most relevant period. Such calculation will result in a maximum distributable amount ("**Maximum Distributable Amount**" or "**MDA**") in each relevant period.

MDA restrictions would need to be calculated for each separate level of supervision. As at the date of this Prospectus, MDA restrictions should be calculated at a solo and consolidated level. For each such level of supervision, the level of restriction under Article 141(2) of the Capital Requirements Directive and Articles 100 and 101 of the Belgian Banking Law, read together with Schedule 5 of the Belgian Banking Law, will be scaled according to the extent of the breach of the combined buffer requirement applicable at such level and calculated as a percentage of the respective profits calculated at such level. The MDA would thus be assessed separately for each level of supervision based on this calculation and distributions would be restricted by the lowest amount.

Such calculation will result in a MDA in each relevant period. As an example, the scaling is such that in the bottom quartile of the combined buffer requirement, no discretionary distributions will be permitted to be paid. As a consequence, in the event of a breach of the combined buffer requirement it may be necessary to reduce payments that would, but for the breach of the combined buffer requirement, be discretionary, including potentially exercising the Issuer's discretion to cancel (in whole or in part) interest payments in respect of the Securities. In such circumstances, the aggregate amount of distributions which the Issuer can make on account of dividends, interest payments, write-up amounts and redemption amounts on its instruments constituting Tier 1 Capital (including the Securities) and certain variable staff remuneration (such as bonuses) or discretionary pension benefits will be limited.

The amount of CET1 capital required to meet the combined buffer requirements will be relevant to assess the risk of interest payments being cancelled. In this respect, please also refer to the risk factor entitled "*CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments*". The market price of the Securities is likely to be affected by any fluctuations in either the Solo CET1 Ratio or the Consolidated CET1 Ratio. Any indication or perceived indication that either of these ratios are tending towards the write-down trigger of 5.125 per cent. or the applicable MDA trigger level may have an adverse impact on the market price of the Securities.

The Issuer's capital requirements are, by their nature, calculated by reference to a number of factors any one of which or a combination of which may not be easily observable or capable of calculation by investors. In this respect, please also refer to the risk factor entitled "*The Solo CET1 Ratio and the Consolidated CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors*".

Holders of the Securities may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and/or principal) on the Securities being restricted from time to time as a result of the operation of the MDA. In any event, the Issuer will have discretion as to how the MDA will be applied if insufficient to meet all expected distributions and the Issuer is not obliged to take the interest of investors in the Securities into account.

MREL-Maximum Distributable Amount

In addition to the minimum capital requirements under the Capital Requirements Directive, the regime provided for by the BRRD and the SRM Regulation prescribes a minimum requirement for own funds and liabilities ("**MREL**") of banks and groups, including the Issuer. The Issuer's MREL position shall be calculated as the amount of own funds and eligible liabilities in accordance with the BRRD provisions and expressed as a percentage of the total risk exposure amount and of the total exposure measure of the institution, calculated in each case in accordance with the Capital Requirements Regulation. The level of capital and eligible liabilities required under MREL is set by the Relevant Resolution Authority.

According to Article 16a of the BRRD, as implemented in Belgium by Article 230/1 of the Belgian Banking Law, and Article 10a of the SRM Regulation, any failure by the Issuer to meet the "combined buffer requirement" when considered in addition to the applicable MREL requirements could result, among other things, in the imposition of restrictions or prohibitions on discretionary payments by the Issuer by the Competent Authority and/or the Relevant Resolution Authority due to the operation of the MREL-Maximum Distributable Amount, including the payment of interest on Additional Tier 1 Capital Instruments, such as the Securities. The prohibition under the MREL-Maximum Distributable Amount may be imposed if the Issuer meets the combined buffer requirement but fails to meet the combined buffer requirement when considered in addition to the MREL requirements, and the Relevant Resolution Authority shall exercise its power in case it finds that the Issuer still fails to meet such requirement nine months after such situation has been notified (during which period the Relevant Resolution Authority will assess whether to impose the prohibition under the MREL-Maximum Distributable Amount), except if the conditions set out in the BRRD and the SRM Regulation for not exercising such power are met.

The interplay between the capital requirements applicable to the Issuer following the Supervisory Review and Evaluation Process ("**SREP**") and the Maximum Distributable Amount and the MREL-Maximum Distributable Amount as well as the determination of these maximum distributable amounts are complex. The maximum distributable amounts impose caps on the Issuer's ability to make discretionary payments (including payments of interest on the Securities) and on its ability to redeem or repurchase the Securities. There are a number of factors for the complexity of the determination of the maximum distributable amounts, including the following:

- the Maximum Distributable Amount applies when certain capital buffers are not maintained. The buffer requirements are set by the competent authorities and are subject to change over time. As a result, it is difficult to predict when or if the Maximum Distributable Amount will apply to the Securities and to what extent;
- in addition, any increase in the applicable requirements, for instance as a result of the imposition by supervisors of additional capital or MREL requirements, increases the likelihood of the Issuer not being permitted to make payments of interest on the Securities due to the operation of the Maximum Distributable Amount or the MREL-Maximum Distributable Amount. Holders may not be able to predict accurately the proximity of the risk of discretionary payments (of interest) on the Securities being prohibited from time to time as a result of the operation of limitations on distributions or payments.

This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Securities.

Interest cancellation by the Competent Authority

Articles 102 and following of the Capital Requirements Directive give the Competent Authority certain supervisory measures and powers which would apply if the Issuer fails (or is likely to fail) to comply with applicable regulations. There are no ex-ante limitations on the discretion to use this power. In such circumstances, the Competent Authority could require the Issuer to suspend payments of interest on Additional Tier 1 Instruments (including the Securities). Furthermore, the Capital Requirements Directive provides the Competent Authority coupon cancellation powers which may force the Issuer to cancel interest payments to holders of the Securities. These powers have also been implemented in the Belgian Banking Law.

No assurance that interest is paid on the Securities

It follows from the above that there can be no assurance that an investor will receive payments of interest in respect of the Securities, and the Issuer's ability to make interest payments on the Securities will depend on a combination of factors, including (i) the level of distributable reserves and the profits the Issuer has accumulated in the financial year preceding any interest payment date, (ii) the amount of outstanding capital instruments with interest cancellation provisions similar to the Securities and other discretionary distributions, (iii) the combined capital buffer requirement of the Issuer and any other capital requirement applicable to the Issuer as applicable at each solvency level from time

to time, in addition to the MREL requirements and (iv) the application of certain discretionary powers of the Competent Authority in respect of the Issuer. Even if there were to be sufficient funds to make interest payments on the Securities, the Issuer may still elect to cancel such interest payment for any reason and for any length of time. Furthermore, no interest will be paid on any principal amount that has been written down following a Trigger Event in accordance with the Terms and Conditions of the Securities and no interest may be paid on any principal amount that has been written down following any Statutory Loss Absorption in accordance with the Statutory Loss Absorption Powers. The payment of interest on any remaining principal amount following such write-down is subject to the Issuer having sufficient Distributable Items and, if applicable, sufficient Solo Net Profit and Consolidated Net Profit and the MDA and MREL-Maximum Distributable Amount not being exceeded. In this respect, please also refer to the risk factors entitled "*The principal amount of the Securities may be reduced (Written Down) to absorb losses*" and "*A holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*".

Any interest not paid shall be deemed cancelled and shall not accumulate or be payable at any time thereafter. Cancellation of interest shall not constitute a default under the Securities for any purpose. Investors shall have no further rights in respect of any interest not paid and shall not be entitled to any compensation or to take any action to cause the dissolution or liquidation of the Issuer in the event any interest is not paid. Furthermore, cancellation of interest payments shall not in any way impose restrictions on the Issuer, including restricting the Issuer from making distributions or equivalent payments in connection with junior ranking or *pari passu* ranking instruments.

Any actual or anticipated cancellation of interest on the Securities will likely have an adverse effect on the market price of the Securities. Furthermore, the Securities may trade with accrued interest, which may be reflected in the trading price of the Securities. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Securities will not be entitled to such interest payment on the relevant Interest Payment Date.

In addition, as a result of the interest cancellation provisions of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which interest accrues which is not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication or perceived indication that either the Solo CET1 Ratio or the Consolidated CET1 Ratio is trending towards the write-down trigger of 5.125 per cent. or that the Issuer may be unable to meet the combined buffer requirements, taking into account MREL requirements, may have an adverse effect on the market price of the Securities.

The principal amount of the Securities may be reduced (Written Down) to absorb losses

The Securities are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. Such eligibility depends upon a number of conditions being satisfied and reflected in the Terms and Conditions of the Securities and which, in particular, require the ability of the Securities and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, if either the Solo CET1 Ratio or the Consolidated CET1 Ratio falls below 5.125 per cent. as determined by the Issuer, the Competent Authority or any entity appointed by or acting on behalf of the Competent Authority (a "**Trigger Event**"), the Prevailing Principal Amount of the Securities will be reduced by the Write-down Amount, being the lower of (i) the amount per Security (together with, subject to Condition 7.1(e), the concurrent pro rata Principal Write-down of the other Securities and the write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments) that would be sufficient to immediately restore the Solo CET1 Ratio and the Consolidated CET1 Ratio to at least 5.125 per cent. or (ii) the amount necessary to reduce the Prevailing Principal Amount of the Security to one cent, and any accrued but unpaid interest up to (and including) the Trigger Event Write-down Date will be automatically and irrevocably cancelled.

A Principal Write-down may occur at any time on one or more occasions (provided, however, that the principal amount of a Security shall never be reduced to below one cent). Any Principal Write-down of the Securities shall not constitute a default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever. Holders of the Securities shall not be entitled to any compensation or to take any action to cause the dissolution or liquidation of the Issuer in the event of a Principal Write-down (without prejudice to any principal amount subsequently written-up at the discretion of the Issuer in accordance with the Principal Write-up mechanism as set out in Condition 7.2).

A Principal Write-down is expected to occur simultaneously with the concurrent pro rata write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments (being any instrument (other than the Securities) issued directly or indirectly by the Issuer which qualifies as Additional Tier 1 Capital of the Issuer on a solo or consolidated basis and has terms pursuant to which all or some of its principal amount may be written-down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of the Solo CET1 Ratio or the Consolidated CET1 Ratio falling below a certain trigger level). However, this will not necessarily be the case. In particular, investors must note that to the extent such write-down or conversion into equity of any Loss Absorbing Instruments is not possible for any reason, it shall not invalidate the Principal Write-down of the Securities and it is possible that the Write-down Amount of the Securities shall be increased as a consequence thereof.

The Issuer may be required to write down the Prevailing Principal Amount of the Securities following the occurrence of a Trigger Event such that each of the Solo CET1 Ratio and the Consolidated CET1 Ratio is restored to a level higher than 5.125 per cent. to the extent required by the relevant Competent Authority or the Relevant Resolution Authority. No assurance can be given that a Principal Write-down will be applied towards not only curing the Trigger Event but also towards restoring the Solo CET1 Ratio and/or the Consolidated CET1 Ratio to a level which is higher than 5.125 per cent. In such an event, the Write-down Amount will be greater than the amount by which the then Prevailing Principal Amount would have been written down if the Issuer had been required to write down the principal amount of the Securities to the extent necessary thereby to restore each of the Solo CET1 Ratio and the Consolidated CET1 Ratio to 5.125 per cent.

Furthermore, it is possible that a Trigger Event in relation to the Securities occurs simultaneously with a trigger event in relation to Loss Absorbing Instruments that may be written down or converted into equity in full but not in part. For the purposes of determining the relevant pro rata amounts to be taken into account when determining the Write-down Amount in accordance with the Terms and Conditions of the Securities, such instruments shall be treated (but only for the purposes of determining the Write-down Amount) as if their terms permitted partial write-down or conversion into equity. In the event of a concurrent write-down of any Loss Absorbing Instrument (if any), the pro rata write-down and/or conversion of such Loss Absorbing Instrument shall only be taken into account to the extent required to restore the Solo CET1 Ratio and the Consolidated CET1 Ratio to the lower of (x) such Loss Absorbing Instrument's trigger level and (y) 5.125 per cent., in each case in accordance with the terms of such Loss Absorbing Instrument and the Applicable Banking Regulations.

Following any Principal Write-down of the Securities, interest will only accrue on the Prevailing Principal Amount of the Securities following such write down, which principal amount is lower than the Original Principal Amount of the Securities or, as the case may be, the Prevailing Principal Amount immediately prior to such write down. Any redemption of the Securities by the Issuer shall be made at their Prevailing Principal Amount (and shall not entitle the holders of Securities to any claim for the amount written down).

The Issuer's future outstanding junior and *pari passu* ranking securities might not include write-down or similar features with triggers comparable to those of the Securities. As a result, it is possible that the Securities will be subject to a Principal Write-down, while junior and *pari passu* ranking securities remain outstanding and continue to receive payments. Also, the Terms and Conditions of the Securities do not in any way impose restrictions on the Issuer following a Principal Write-down, including restrictions on making any distribution or equivalent payment in

connection with (i) any Junior Obligations (including, without limitation, any common shares of the Issuer) or (ii) any Parity Securities.

Investors may lose all or some of their investment as a result of a Principal Write-down or of reaching the point of non-viability or of the application of certain resolution tools. In this respect, please also refer to the risk factor entitled "*A holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*".

Although (in case of a Principal Write-down only following a Trigger Event) the Terms and Conditions of the Securities allow for the principal amount to be written-up again in certain circumstances at the Issuer's discretion, due to the limited circumstances in which a Principal Write-up may be undertaken (as described below) any reinstatement of the Prevailing Principal Amount of the Securities and recovery of such investment may take place over an extended period of time or not at all. In addition, if an event as described in Condition 10 occurs prior to the Securities being written-up in full pursuant to Condition 7.2, holders' claims for principal in dissolution or liquidation (other than as set out in the Terms and Conditions of the Securities) will be based on the reduced principal amount (if any) of the Securities.

The written down principal amount will not be automatically reinstated if the Solo CET1 Ratio and the Consolidated CET1 Ratio are restored above a certain level. It is the extent to which the Issuer makes a profit (on a non-consolidated and a consolidated basis) from its operations (if any) that will affect whether the principal amount of the Securities may be reinstated to its Original Principal Amount.

The Issuer's ability to write-up the principal amount of the Securities will depend on certain conditions, such as there being sufficient Solo Net Profit and sufficient Consolidated Net Profit and, if applicable, the MDA and the MREL-Maximum Distributable Amount not being exceeded. No assurance can be given that these conditions will ever be met. Moreover, even if met, the Issuer will not in any circumstances be obliged to write-up the principal amount of the Securities. Also, the Competent Authority has the power to prohibit a write-up if the Issuer fails (or is likely to fail) to comply with applicable regulations. However, if any write-up were to occur, it will have to be undertaken on a pro rata basis with any other instruments qualifying as Additional Tier 1 Capital providing for a reinstatement of principal amount in similar circumstances that have been subject to a write-down.

The market price of the Securities could be affected by any actual or anticipated write-down of the principal amount of the Securities as well as by the Issuer's actual or anticipated ability to write-up the reduced principal amount to its Original Principal Amount.

The Solo CET1 Ratio and the Consolidated CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors

The market price of the Securities is expected to be affected by fluctuations in the Solo CET1 Ratio and/or the Consolidated CET1 Ratio. Any indication or perceived indication that either the Solo CET1 Ratio or the Consolidated CET1 Ratio is trending towards the write-down trigger of 5.125 per cent. or the applicable MDA and MREL-Maximum Distributable Amount trigger level may have an adverse effect on the market price of the Securities. The level of either the Solo CET1 Ratio and the Consolidated CET1 Ratio may significantly affect the trading price of the Securities.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, many of which may be outside the Issuer's control. Because the Solo CET1 Ratio and/or the Consolidated CET1 Ratio may be calculated as at any date, a Trigger Event could occur at any time. The calculation of the Solo CET1 Ratio and/or the Consolidated CET1 Ratio could be affected by a wide range of factors, including, among other things, changes in the mix of the Issuer's business, major events affecting its earnings, dividend payments by the Issuer, accounting changes, regulatory changes (including the imposition of additional minimum capital or capital buffer requirements

or changes to definitions and calculations of regulatory capital ratios and their components or the changes to the interpretation thereof by the relevant authorities or case law and the availability of transitory or grandfathering regimes) and the Issuer's ability to manage risk-weighted assets in both its ongoing businesses and those which it may seek to exit or enter. The impact of these factors on the calculation of the Solo CET1 Ratio may be different from their impact on the calculation of the Consolidated CET1 Ratio. This may, in its turn, lead to certain divergences between the Solo CET1 Ratio and the Consolidated CET1 Ratio. The Solo CET1 Ratio and the Consolidated CET1 Ratio will also depend on the Issuer's decisions relating to its businesses and operations, as well as the management of its capital position.

Investors will not be able to monitor movements in the Solo CET1 Ratio, the Consolidated CET1 Ratio or any MDA and MREL-Maximum Distributable Amount on a continuous basis and it may therefore not be foreseeable when a Trigger Event may occur or whether interest payments on the Securities must be cancelled.

The Issuer will have no obligation to consider the interests of investors in connection with its strategic decisions, including in respect of its capital management. Investors will not have any claim against the Issuer relating to decisions that affect the business and operations of the Issuer, including its capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause investors to lose all or part of the value of their investment in the Securities.

The Issuer currently publishes the Solo CET1 Ratio and the Consolidated CET1 Ratio on a semi-annual basis. This may mean that investors are given limited warning of any deterioration in the Solo CET1 Ratio and/or the Consolidated CET1 Ratio. Investors should also be aware that the Solo CET1 Ratio and/or the Consolidated CET1 Ratio may be calculated as at any date and, as a result thereof, a Trigger Event may occur as at any date.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Principal Amount of the Securities may be written down. Accordingly, the trading behaviour of the Securities may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication or perceived indication that the Solo CET1 Ratio and/or the Consolidated CET1 Ratio is trending towards the write-down trigger of 5.125 per cent. or that the Issuer may be unable to meet the combined buffer requirements, taking into account MREL requirements, may have an adverse effect on the market price of the Securities. Under such circumstances, investors may not be able to sell their Securities easily and may only be able to sell their Securities at a loss, which may be significant.

CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments

CRD IV imposes capital requirements that are in addition to the Common Equity Tier 1 capital requirement (the "**Pillar 1 Capital Requirement**"). As at 30 June 2024, the combined buffer requirements for the Issuer consist of the following elements:

- capital conservation buffer: set at 2.50 per cent. of risk weighted assets ("**RWA**")[1];
- institution-specific countercyclical capital buffer: the institution-specific countercyclical capital buffer rate shall consist of the weighted average of the countercyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located; this rate will be between 0 and 2.5 per cent. of RWA (but may be set higher than 2.5 per cent. where the Competent Authority considers that the conditions justify this). The designated authority in each member state must set the countercyclical capital buffer rate for exposures in its

[1] RWA are used to determine the minimum amount of capital that must be held by a bank to cover different types of risks.

jurisdiction on a quarterly basis. As at 30 June 2024, the institution-specific countercyclical capital buffer of the Issuer stood at 0.59 per cent. of RWA;

- systemic relevance buffer: the systemic relevance buffer consists of a buffer for G-SIIs and for O-SIIs, to be determined by the Competent Authority. The buffer rate for O-SIIs can be up to 2.0 per cent. of RWA. The buffer rate for G-SII can be between 1 per cent. and 3.5 per cent. of RWA. The Competent Authority periodically reviews the identification of G-SIIs and O-SIIs as well as the applicable buffer rate. The Issuer is currently not a G-SII but is an O-SII and the applicable buffer rate is currently set at 1.5 per cent of RWA. The systemic relevance buffer imposes higher capital requirements for institutions, such as the Issuer, that, due to their systemic importance, are more likely to create risks to financial stability than other, less systemically important, institutions; and

- systemic risk buffer: set as an additional loss absorbency buffer to prevent and mitigate long term non-cyclical systemic or macro prudential risks not covered in CRD IV. The buffer rate will be reviewed annually by the Competent Authority. Currently, the systemic risk buffer is 0.17 per cent of RWA.

In addition to the "Pillar 1" capital requirements described above and the minimum combined buffer requirement, the Competent Authority can require the Issuer to maintain higher minimum ratio's (i.e., the Pillar 2 requirements or "**P2R**") where it considers that not all risks are properly reflected in the regulatory Pillar 1 minimum requirements as part of the SREP. The SREP is carried out by the Competent Authority on a continuous basis. As at the date of this Prospectus, the P2R of the Issuer is 2.16 per cent of RWA. In line with Article 104a(4) of the Capital Requirements Directive, the ECB allows banks to satisfy the P2R with Additional Tier 1 Capital Instruments (up to 1.5 / 8) and Tier 2 Capital Instruments (up to 2 / 8) based on the same relative weights as allowed for meeting the Pillar 1 Capital Requirement.

In addition to the "combined buffer requirement", the Pillar 1 Capital Requirement and the P2R, the Competent Authority can also set a "Pillar 2 Capital Guidance" ("P2G"). The Issuer is expected to meet the P2G with CET1 capital on top of the level of binding capital requirements. P2G is not directly binding and a failure to meet it does not automatically trigger legal action, even though the ECB expects credit institutions and holding companies to meet the P2G. Consequently, the P2G is not relevant for the purposes of triggering the automatic restriction of discretionary payments and calculation of the Maximum Distributable Amount, but CRD IV provides that when an institution repeatedly fails to meet the P2G, the competent authority should be entitled to take supervisory measures and, where appropriate, to impose additional own funds requirements. As at 30 June 2024, P2G for the Issuer stood at 1 per cent. of RWA.

In the future, the Issuer may need to comply with a higher combined buffer requirement and/or higher P2R and/or be confronted with increased "Pillar 2 Capital Guidance". Moreover, part of the combined buffer requirement is determined by various local authorities in the Issuer's core markets and may therefore be dependent on local circumstances. Most of these requirements relate to items outside of the control of the Issuer. Changes to the combined buffer requirement and the capital requirements generally may have an adverse effect on the market price of the Securities. These additional capital requirements will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments.

A holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs

Holders may be required to absorb losses, and may lose their investment, in the event the Issuer becomes non-viable or fails. In such circumstances, resolution authorities may require the Securities to be written down or converted pursuant to the BRRD and the SRM Regulation, as implemented in the Belgian Banking Law.

In addition to the write-down and conversion powers of eligible liabilities mentioned below, the BRRD, the SRM Regulation and the Belgian Banking Law contain four resolution tools and powers which may be used alone or in

combination where the Relevant Resolution Authority considers that a relevant entity meets the conditions for resolution specified in Article 18 of the SRM Regulation or Article 244, §1 of the Belgian Banking Law, i.e., (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe and (c) a resolution action is in the public interest. The four resolution tools are: (i) sale of business – which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms, (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially under public control), which may limit the capacity of the relevant entity to meet its repayment obligations, (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only) and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims to equity or other instruments of ownership (the "**bail-in power**"), which equity or other instruments could also be subject to any future cancellation, transfer or dilution.

The SRM Regulation and the BRRD require the Relevant Resolution Authority to write down the principal amount of Additional Tier 1 Capital Instruments (including the Securities) or to convert such principal amount into common equity tier 1 of the Issuer so as to ensure that the regulatory capital instruments (including the Securities) fully absorb losses at the point of non-viability of the issuing institution or the group of which it forms part (the "**Statutory Loss Absorption**"). Accordingly, the Relevant Resolution Authority shall be required to write down or convert such capital instruments (including the Securities) immediately before taking any resolution action, together with such resolution action or independently from any resolution action, if the Issuer were deemed to have reached the point of non-viability. An institution will be deemed to be no longer viable if (i) it is failing or likely to fail and (ii) there is no reasonable prospect that a private action would prevent the failure within a reasonable timeframe.

The resolution authorities have to exercise the write down and conversion powers in accordance with the priority of claims under normal insolvency proceedings, in a way that results in (i) firstly, Common Equity Tier 1 instruments of the Issuer to be reduced first in proportion to the losses and to the extent of their capacity, (ii) secondly, the principal amount of Additional Tier 1 Capital Instruments (including the Securities) to be written down or converted into CET 1 Capital or both, to the extent required or to the extent of the capacity of the relevant capital instruments, (iii) thirdly, to the extent required, the principal amount of Tier 2 Capital Instruments to be written down, converted into CET1 Capital, or a combination and (iv) fourthly, certain eligible liabilities to be written down, converted into CET1 Capital, or a combination (with the write down and conversion powers being applied to senior non-preferred obligations before senior preferred obligations).

More specifically, Article 267/8, §1 of the Belgian Banking Law provides the order in which eligible liabilities should be converted or written down in case the Relevant Resolution Authority decides to apply the bail-in tool. Additional Tier 1 Capital Instruments of the Issuer (including the Securities) will only be converted or written down following write-down of the CET1 Capital of the Issuer, but before all subordinated debt and other eligible liabilities of the Issuer that are not Additional Tier 1 Capital Instruments of the Issuer at the time of resolution.

In circumstances of financial distress (whether related to the economy or markets generally or events specific to the Issuer), there may be uncertainty as to the likelihood that resolution authorities could in the future decide to write down or convert Additional Tier 1 Capital Instruments. Due to the uncertainty as to whether any such write down or conversion could occur, the trading price of the Securities could drop significantly.

Any indication that the Issuer's securities may run the risk of being required to absorb losses in the future is likely to have an adverse effect on the market price of the Securities. Under such circumstances, holders of Securities may not be able to sell their Securities at prices comparable to the prices of more conventional investments or at all.

No scheduled redemption

The Securities are perpetual securities which have no fixed repayment or maturity date. The Issuer is under no obligation to redeem the Securities at any time. Although the Terms and Conditions of the Securities include several options for the Issuer to redeem the Securities, there is no contractual obligation for the Issuer to exercise any of these call options and the Issuer has full discretion under the Terms and Conditions of the Securities not to do so for any reason. There will be no redemption at the option of investors.

This means that holders of the Securities have no ability to cash in their investment, except:

- if the Issuer exercises its rights to redeem or purchase the Securities;
- by selling their Securities; or
- by claiming for any principal amounts due and not paid in any dissolution or liquidation (other than as set out in the Terms and Conditions of the Securities) of the Issuer.

Accordingly, there is uncertainty as to when (if ever) an investor in the Securities will receive repayment of the Prevailing Principal Amount of the Securities and an investor in the Securities may not be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Securities.

The Securities are subject to optional early redemption, subject to certain conditions

The Issuer may, at its option, redeem all, but not some only, of the Securities on any day falling in the period commencing on (and including) 6 May 2031 and ending on (and including) the First Reset Date or on each Interest Payment Date thereafter (the "**Issuer Call Option**") at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Terms and Conditions of the Securities). Any such redemption shall be subject to Condition 5.7, which provides, among other things, that the Competent Authority and/or the Relevant Resolution Authority must give its prior approval (if required) and that the Issuer must comply with Applicable Banking Regulations. As at the date of this Prospectus, the Issuer must demonstrate to the satisfaction of the Competent Authority that the Issuer complies with Article 78 of the Capital Requirements Regulation (or any equivalent or substitute provision under Applicable Banking Regulations), which may include (a) the replacement of the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer or (b) that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum own funds requirements (including any capital buffer requirements) or the minimum own funds and eligible liabilities requirements, in each case by a margin that the Competent Authority considers necessary at such time.

The Securities are also redeemable at the option of the Issuer (in whole but not in part) following a Tax Gross-up Event, a Tax Deductibility Event, a Regulatory Event or an MREL/TLAC Disqualification Event or on the basis of the clean-up call option included in Condition 5.6 (the "**Clean-up Call Option**") at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Terms and Conditions of the Securities). Any such redemption shall be subject to Condition 5.7, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required) and in compliance with the Applicable Banking Regulations. The Capital Requirements Regulation further provides that the Competent Authority may only approve any such redemption or repurchase of the Securities before the fifth anniversary of the Issue Date if, in addition, the following conditions are met:

- in the case of redemption of the Securities upon the occurrence of a Tax Gross-up Event or a Tax Deductibility Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that (A) the Change in Law was not reasonably foreseeable as at the Issue Date and (B) the relevant change in tax treatment is material;

- in the case of redemption of the Securities upon the occurrence of a Regulatory Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the change (or prospective change) in the regulatory classification (or reclassification) of the Securities was not reasonably foreseeable as at the Issue Date; and

- in the case of any redemption or purchase of the Securities pursuant to Condition 5.5, 5.6 or 5.8, either (A) the Issuer has (or will, on or before the relevant purchase date, have) replaced the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (B) in the case of any purchase pursuant to Condition 5.8, the relevant Securities are being purchased for market-making purposes in accordance with the Applicable Banking Regulations.

The Issuer shall also have the right to redeem the Securities following a Principal Write-down further to the Issuer Call Option, on the basis of the Clean-up Call Option or upon the occurrence of a Tax Gross-up Event, a Tax Deductibility Event, a Regulatory Event or an MREL/TLAC Disqualification Event before the Prevailing Principal Amount has been restored to the Original Principal Amount. Accordingly, holders risk only receiving the amount of principal so reduced by the Principal Write-down.

An optional redemption feature is likely to limit the market value of the Securities. During any period when the Issuer may elect, or in case of an actual or perceived increased likelihood that the Issuer may elect, to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. In addition, investors will not receive any make-whole amount or any other compensation in the event of any early redemption of Securities.

It is not possible to predict whether any of the circumstances mentioned above will occur and lead to the circumstances in which the Issuer is able to elect to redeem the Securities and, if so, whether or not the Issuer will elect to exercise such option to redeem the Securities.

If the Issuer redeems the Securities in any of the circumstances mentioned above, there is a risk that the Securities may be redeemed at times when the redemption proceeds are less than the current market value or the Original Principal Amount of the Securities or when prevailing interest rates may be relatively low, in which latter case investors may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

There is variation or substitution risk in respect of the Securities

The Issuer may if an Alignment Event, an MREL/TLAC Disqualification Event, a Regulatory Event, a Tax Gross-up Event or a Tax Deductibility Event has occurred and is continuing, subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required at the relevant time), but without any requirement for the consent or approval of the holders, substitute all (but not some only) of the Securities or vary the terms of all (but not some only) of the Securities so that they become or remain (as the case may be) Qualifying Securities, provided:

- that the securities:
    - contain terms which at such time comply with the then current requirements of the Competent Authority in relation to (i) Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the Special Event redemption events which are included in the Securities) and (ii) in the case of an MREL/TLAC Disqualification Event, MREL;

- carry the same rights to redeem as set out in Condition 5.2 and the same rate of interest from time to time applying to the Securities prior to the relevant substitution or variation;
- rank *pari passu* with the Securities prior to the substitution or variation;
- shall not at the time of the relevant variation or substitution be subject to a Special Event;
- where the Securities had a solicited published rating from a rating agency immediately prior to the relevant substitution or variation, each such rating agency has ascribed or announced its intention to ascribe at least the same published rating to the relevant securities; and
- have terms not materially less favourable to the holders than the terms of the Securities, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered to the Agent a certificate to that effect signed by two of its directors; and

- that if (A) the Securities were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) if the Securities were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer.

The Competent Authority has discretion as to whether or not it will approve any substitution or variation of the Securities, if such permission is prescribed under the then Applicable Banking Regulations. Any such substitution or variation which is considered by the Competent Authority to be material shall be treated by it as the issuance of a new instrument. Therefore, the Securities, as so substituted or varied, must be eligible as Additional Tier 1 Capital in accordance with the then prevailing Applicable Banking Regulations, which may include a requirement that (save in certain prescribed circumstances) the Securities may not be redeemed or repurchased prior to five years after the effective date of such substitution or variation.

The Securities are subject to modification, waivers and substitution

The Terms and Conditions of the Securities contain provisions for holders of the Securities to consider matters affecting their interests generally, including modifications to the Terms and Conditions of the Securities. These provisions permit defined majorities to bind all holders including holders who did not attend and vote at the relevant meeting and holders 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.

The Terms and Conditions of the Securities also provide that the Agent may, without the consent of holders, agree to (i) any modification of the Agency Agreement or the Clearing Services Agreement which is not prejudicial to the interests of the holders or (ii) any modification of the Terms and Conditions of the Securities, the Agency Agreement or the Clearing Services Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

In certain circumstances, the Issuer may also vary the terms of all (but not some only) of the Securities so that they become or remain (as the case may be) Qualifying Securities. In this respect, please also refer to the risk factor entitled "*There is variation or substitution risk in respect of the Securities*".

Finally, the approval of the holders will not be required in the case of any amendments made to the Terms and Conditions of the Securities and/or the Agency Agreement pursuant to Condition 3.1(f) in case a Benchmark Event occurs. In this respect, please also refer to the risk factor entitled "*The regulation and reform of Benchmarks may adversely affect the value and liquidity of and return on the Securities*".

Accordingly, there is a risk that the Terms and Conditions of the Securities may be modified, waived or varied in circumstances where a holder does not agree to such modification, waiver or variation, which may adversely impact

the rights of such holder. It is possible that any modified or substituted Securities will contain terms and conditions that are contrary to the investment criteria of certain investors. Any resulting sale of the Securities, or of the modified or substitution securities, may be adversely affected by market perception of and price movements in the terms of the modified or substitution securities.

The Terms and Conditions of the Securities do not provide for events of default allowing acceleration of the Securities

The Terms and Conditions of the Securities do not provide for events of default allowing for acceleration of the Securities if certain events occur, for example if the Issuer fails to pay any amount of interest or principal when due. Also, the Securities cannot cross default based on non-payment on other securities, except where such non-payment on other securities itself results in the winding-up of the Issuer. Accordingly, if the Issuer fails to meet any obligation under the Securities, including the payment of interest or the Prevailing Principal Amount of the Securities following the exercise of a right to redeem the Securities as referred in Condition 5, such failure will not give the holder any right to accelerate the Securities. Accrued but unpaid interest will be deemed cancelled. In this respect, please refer to the risk factor entitled "*The Issuer may elect not to pay interest on the Securities or in certain circumstances be required not to pay such interest*".

Upon a payment default, the sole remedy available to the holder for recovery of amounts owing in respect of due but unpaid Prevailing Principal Amount will be to institute proceedings for the dissolution or liquidation proceedings of the Issuer (see Condition 10) to the extent permitted under Belgian law in order to enforce such payment. Holders have limited power to invoke the dissolution or liquidation of the Issuer and will be responsible for taking all steps necessary for submitting claims in any dissolution or liquidation relation to any claims they may have against the Issuer.

There are no rights of set-off, compensation, retention or netting for the Securities

Subject to applicable law, no holder of a Security may exercise or claim any right of set-off, compensation, retention or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each holder of a Security shall, by virtue of its subscription, purchase or holding of a Security (or any beneficial interest therein), be deemed to have waived all such rights of set-off, compensation, retention or netting. Notwithstanding the preceding sentence, if any of the amounts owing to any holder by the Issuer in respect of, or arising under or in connection with, the Securities is discharged by set-off, compensation, retention or netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount for the benefit of the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

A reset of the interest rate could affect the market value of an investment in the Securities

The Securities will initially bear interest at the Initial Rate of Interest (until but excluding) the First Reset Date. On the First Reset Date and on each date which falls five, or an integral multiple of five, years after the First Reset Date, the interest rate will be reset to the sum, converted from an annual basis to a semi-annual basis, of (A) the Mid-Swap Rate applicable to the Reset Period in which that Interest Period falls and (B) the Margin. The Reset Rate for any Reset Period could be less than the Initial Rate of Interest and the Reset Rate for prior Reset Periods and could adversely affect the yield or market value of the Securities.

The regulation and reform of Benchmarks may adversely affect the value and liquidity of and return on the Securities

Reference rates and indices, including interest rate benchmarks, 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 "**Benchmarks 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 Benchmarks 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 Benchmarks 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 3.1(f) which provides for certain fall-back arrangements if a Benchmark Event occurs in respect of the Securities.

The Benchmarks Regulation could adversely affect the Securities, in particular if the methodology or other terms of the relevant Benchmark are changed in order to comply with the requirements of the Benchmarks 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.

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 the Securities.

Investors should consult their own independent advisers and make their own assessment about potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to the Securities.

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 a 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 of the Securities as well as the Agency Agreement (as further described in Condition 3.1(f)) and could result in adverse consequences to holders of the Securities.

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 the Securities, including the return on the Securities and the trading market for them. Finally, under the terms of the Benchmarks Regulation, the European Commission was also granted powers to designate a replacement for certain critical benchmarks contained in contracts governed by the laws of an EU Member State (such as the Securities), where that contract does not already contain a suitable fallback. There can be no assurance, that the fallback provisions of the Securities would be considered suitable. Accordingly, there is a risk that the Securities would be transitioned to a replacement Benchmark selected by the European Commission. There is no certainty at this stage what any such replacement benchmark would be.

Condition 3.1(f) provides for certain fall-back arrangements in the event that a Benchmark Event occurs in respect of the 5-year Mid-Swap Rate (or the relevant component part thereof). 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 Securities and the Agency Agreement to ensure the proper operation of the new Benchmark, all as determined by the Issuer (acting in good faith and in consultation with a Reference Rate Determination Agent, which may or may not be the same entity as the Calculation Agent) and as more fully described at Condition 3.1(f). 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 the Securities and/or the Agency Agreement if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Securities giving rise to a Regulatory Event or an MREL/TLAC Disqualification Event.

It is possible that the adoption of a Successor Rate or an Alternative Reference Rate, including any Adjustment Spread, may result in the Securities performing differently (which may include payment of a lower Rate of Interest) than they would if the 5-year Mid-Swap 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 Reset Period may result in the Rate of Interest for the last preceding Reset Period being used. This would result in the effective application of the Rate of Interest determined on such basis as a fixed rate.

Any such consequences could have a material adverse effect on the value of, and return on, the Securities. Moreover, any of the above matters or any other significant change to the setting or existence of the reference rate could adversely affect the ability of the Issuer to meet its obligations under the Securities. Investors should consider these matters when making their investment decision with respect to the Securities.

Change of law and jurisdiction may impact the Securities

The Terms and Conditions of the Securities are governed by, and construed in accordance with, Belgian law. No assurance can be given as to the impact of any possible judicial decision or change to Belgian law or administrative practice after the date of the Prospectus. In addition, any relevant tax law or practice applicable as at the date of this Prospectus may change at any time (including following the issuance of the Securities). Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss absorption tools which may affect the rights of holders of securities issued by the Issuer, including the Securities. Any such change may have an adverse effect on a holder, including that the Securities 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 holder may be less favourable than otherwise expected by such holder.

Prospective investors should furthermore note that the courts of Brussels, Belgium shall have jurisdiction in respect of any disputes involving the Securities. Holders may take any suit, action or proceedings arising out of or in connection with the Securities against the Issuer in any court of competent jurisdiction.

Reliance on the procedures of the NBB-SSS and its participants

The Securities will be issued in dematerialised form under the Belgian Companies and Associations Code and cannot be physically delivered. The Securities will be represented exclusively by book entries in the records of the NBB-SSS. Access to the NBB-SSS is available through the NBB-SSS participants whose membership extends to securities such as the Securities. The NBB-SSS participants include Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD.

A holder must rely on the procedures of the NBB-SSS, and the relevant NBB-SSS participants, to receive payments under the Securities. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Securities within the NBB-SSS.

Transfers of interests in the Securities will be effected between the NBB-SSS participants in accordance with the rules and operating procedures of the NBB-SSS. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB-SSS participants through which they hold their Securities.

Furthermore, pursuant to Condition 11, notices to Securityholders shall be valid, among others, if delivered by or on behalf of the Issuer to the NBB (in its capacity as operator of the NBB-SSS) for onward communication by it to the participants of the NBB-SSS. It is expected that notices will in principle be disseminated to holders in this way. A holder will therefore also need to rely on the procedures of the NBB-SSS to receive communications from the Issuer.

Neither the Issuer, nor any Joint Lead Manager or any Paying Agent will have any responsibility or liability for the proper performance by the NBB-SSS or the NBB-SSS participants of their obligations under their respective rules and operating procedures.

Risks related to the market generally

A holder's return on the Securities may be affected by inflation and changes in interest rates

The real return which an investor will receive on its Securities may be affected by inflation and changes in interest rates.

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

An investment in the Securities furthermore involves the risk that subsequent changes in market interest rates may adversely affect the value of the Securities.

An investor's actual yield on the Securities may be reduced from the stated yield by transaction costs

When Securities 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 Securities. 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, investors 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), investors must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Securities before investing in the Securities.

A secondary market may not develop for the Securities

The Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Securities.

Market liquidity in hybrid financial instruments similar to the Securities has historically been limited. In the event a trigger event occurs in relation to an Additional Tier 1 Capital Instrument or interest payments are suspended, potential price contagion and volatility to the entire asset class is possible. Any indication or perceived indication that the Solo CET1 Ratio and/or the Consolidated CET1 Ratio is trending towards the write-down trigger of 5.125 per cent. or the applicable MDA and/or MREL-Maximum Distributable Amount trigger level may have an adverse effect on the market price of the Securities. Similarly, any indication or perceived indication that the amount of Distributable Items available to pay interest on the Securities is decreasing may have an adverse effect on the market price of the Securities. Moreover, the Issuer's discretion regarding the payment of interest significantly increases uncertainty in the valuation of Additional Tier 1 Capital Instruments, this uncertainty might have a negative impact on liquidity and volatility of the Securities.

Moreover, although pursuant to Condition 5.8 the Issuer can purchase Securities at any time, the Issuer is not obliged to do so and any such purchase is subject to permission by the Competent Authority and/or the Relevant Resolution Authority (if required). Purchases made by the Issuer could affect the liquidity of the secondary market of the Securities and thus the price and the conditions under which investors can negotiate these Securities on the secondary market. The Issuer will generally be prohibited from purchasing any Securities during the first five years of their issue, subject to limited exceptions relating to market making purposes in accordance with the Applicable Banking Regulations in respect of the Securities. In this respect, please also refer to the risk factor entitled "*The Securities are subject to optional early redemption, subject to certain conditions*".

In addition, investors should be aware of the prevailing and widely reported global credit market conditions, whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Securities in secondary resales even if there is no decline in the performance of the Securities or the assets of the Issuer. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Securities and instruments similar to the Securities at that time.

Although application has been made for the Securities to be listed on the Official List and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date, there is no assurance that such application will be accepted or that an active trading market will develop.

The Securities are subject to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in Euro. 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 Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Securities and (iii) the Investor's Currency-equivalent market value of the Securities.

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.

The credit ratings of the Securities or the Issuer may not reflect all risks

S&P and Moody's are expected to assign a rating to the Securities. In addition, each of S&P, Moody's and Fitch has assigned credit ratings to the Issuer. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities or the standing of the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, there is no guarantee that any rating of the Securities and/or the Issuer will be maintained by the Issuer following the date of this Prospectus. If any rating assigned to the Securities and/or the Issuer is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Securities may be reduced.

In addition to ratings assigned by any hired rating agencies, rating agencies not hired by the Issuer to rate the Securities may assign unsolicited ratings. If any non-hired rating agency assigns an unsolicited rating to the Securities, there can be no assurance that such rating will not differ from, or be lower than, the ratings provided by a hired rating agency. The decision to decline a rating assigned by a hired rating agency, the delayed publication of such rating or the assignment of a non-solicited rating by a rating agency not hired by the Issuer could adversely affect the market value and liquidity of the Securities.

The Issuer and the Joint Lead Managers may engage in transactions adversely affecting the interests of the holders of the Securities and the Calculation Agent may make determinations and judgements without taking into account the interests of the holders of the Securities

The Joint Lead Managers and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their respective 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 its affiliates.

The Joint Lead Managers and their respective 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. Potential investors should be aware that the interests of the Issuer may conflict with the interests of the holders of the Securities. Moreover, investors should be aware that the Issuer, acting in whatever capacity, will not have any obligations vis-à-vis investors and, in particular, it will not obliged to protect the interests of investors.

The Calculation Agent is Belfius Bank SA/NV and potential conflicts of interest may exist between the Calculation Agent and holders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Terms and Conditions of the Securities (such as in the case of any applicable interest rate determination) which may influence the amount receivable under the Securities. Where any such determination or judgement is to be made, there is generally no or very limited room for discretion as the Terms and Conditions of the Securities stipulate the objective parameters on the basis of which the Calculation Agent has to perform its calculations and tasks (such as, for example, determining a rate by computing a predetermined rate and a screen rate).

Risks related to the status of the investor

Taxation

Potential purchasers and sellers of the Securities should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred, where the investors are resident for tax purposes and/or other jurisdictions. In addition, payments of interest on the Securities (if any), or profits realised by a holder upon the sale or repayment of its Securities, may be subject to taxation in the home jurisdiction of the potential investor or in other jurisdictions in which it is required to pay taxes.

In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Securities. Among other matters, there may be no authority addressing whether a holder would be entitled to a deduction for loss at the time of a Principal Write-down. A holder may, for example, be required to wait to take a deduction until it is certain that no Principal Write-up can occur, or

until there is an actual or deemed sale, exchange or other taxable disposition of the Securities. It is also possible that, if a holder takes a deduction at the time of a Principal Write-down, it may be required to recognise a capital or income gain at the time of a future Principal Write-up.

Further, the statements in relation to taxation set out in this Prospectus are based on current law and the practice of the relevant authorities in force or applied at the date of this Prospectus. Potential investors should be aware that any relevant tax law or practice applicable as at the date of this Prospectus and/or the date of purchase of the Securities may change at any time (including following the issuance of the Securities)). Any such change may have an adverse effect on a holder, including that the liquidity of the Securities may decrease and/or the amounts payable to or receivable by an affected holder may be less than otherwise expected by such holder. In this respect, please also refer to the risk factor entitled "*Change of law and jurisdiction may impact the Securities*".

Potential investors are advised not to rely solely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Securities. Only such adviser is in a position to duly consider the specific situation of the potential investor.

Limitation on gross-up obligation under the Securities

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Securities applies only to payments of interest due and paid under the Securities and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Securities to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Securities, holders may receive less than the full amount due under the Securities, and the market value of the Securities may be adversely affected.

Currently, no Belgian withholding tax will be applicable to the interest on the Securities held by an Eligible Investor in an exempt securities account (X-account) in the NBB-SSS.

If the Issuer, the NBB, the Paying Agents or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature in respect of any payment in respect of the Securities, the Issuer, the NBB, the relevant Paying Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

Further, potential investors should be aware that pursuant to Condition 8 the Issuer will not be obliged to pay any additional amounts in respect of Interest Payments in certain circumstances, including to, or to a third party on behalf of, a holder who, at the time of its acquisition of the Securities, was not an Eligible Investor or to a holder who was such an Eligible Investor at the time of its acquisition of the Securities but, for reason within the holder's control, either ceased to be an Eligible Investor or, at any relevant time on or after its acquisition of the Securities, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian law of 6 August 1993 relating to transactions in certain securities. Additional amounts shall furthermore only be payable if and to the extent the Issuer has sufficient Distributable Items and such payment would not cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount (if any) then applicable to the Issuer on a solo or consolidated basis, as applicable, to be exceeded, if required to be calculated at such time.

OVERVIEW OF THE SECURITIES

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Prospectus (including any documents incorporated by reference herein). Words and expressions defined or used in "Terms and Conditions of the Securities" or elsewhere in this Prospectus shall have the same meaning in this overview.

Issuer	Belfius Bank SA/NV ("**Belfius Bank**").
Information relating to the Issuer	Belfius Bank is a limited liability company (*naamloze vennootschap/ société anonyme*) incorporated under Belgian law with unlimited duration and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0403.201.185 (RLE Brussels). Its registered office is at Place Charles Rogier 11, 1210 Brussels, Belgium. It can be contacted on the telephone number +32 22 22 11 11.
Website of the Issuer	www.belfius.be The information on this website does not form part of, and is not incorporated by reference into, this Prospectus, except where that information has been expressly incorporated by reference in this Prospectus.
Legal Entity Identifier (LEI)	A5GWLFH3KM7YV2SFQL84
Global Coordinator	Citigroup Global Markets Europe AG
Joint Lead Managers	Belfius Bank SA/NV BNP Paribas BofA Securities Europe SA Citigroup Global Markets Europe AG UBS AG London Branch
Paying Agent	Belfius Bank SA/NV or any other entity appointed from time to time by the Issuer as the paying agent pursuant to the terms of the agency agreement dated 4 November 2024 and entered into between the Issuer and the paying agent.
Calculation Agent	Belfius Bank SA/NV or any other entity appointed from time to time by the Issuer as the calculation agent pursuant to the terms of the agency agreement dated 4 November 2024 and entered into between the Issuer and the calculation agent.
The Securities	EUR 500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities (the "**Securities**").
ISIN	BE6357126372.
Common Code	293195609.
Issue price	100 per cent.
Issue Date	6 November 2024.
Maturity date	The Securities are undated and perpetual.
Denomination	EUR 200,000 and integral multiples thereof.

Form of the Securities

The Securities are issued in dematerialised form in accordance with the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen*/*Code des Sociétés et des Associations*), as amended. The Securities will be represented by a book entry in the records of the NBB-SSS.

Status of the Securities

The Securities constitute direct, unconditional, unsecured, unguaranteed and deeply subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves. The Securities shall, subject to applicable law, rank:

(a) junior to the claims of all unsubordinated creditors of the Issuer;

(b) junior to the rights and claims of holders of all subordinated indebtedness of the Issuer (including Tier 2 Capital Instruments) other than: (i) any Junior Obligations and (ii) any Parity Securities;

(c) *pari passu* without any preference among themselves and *pari passu* with any Parity Securities; and

(d) senior only to the rights and claims of holders of any class of share capital of the Issuer and any obligation that ranks, or is expressed to rank, junior to the Issuer's obligations under the Securities.

Subject to applicable law, no Securityholder may exercise or claim any right of set-off, compensation, retention or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each Securityholder shall, by virtue of its subscription, purchase or holding of the Securities (or any beneficial interest therein), be deemed to have waived all such rights of set-off, compensation, retention or netting. Notwithstanding the preceding sentence, if any of the amounts owing to any holder by the Issuer in respect of, or arising under or in connection with, the Securities is discharged by set-off, compensation, retention or netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount for the benefit of the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

Issuer Call Option

Subject to certain conditions, as described below under 'Conditions to redemption and purchase', the Issuer may, at its option, redeem all (but not some only) of the Securities on any day falling in the period commencing on (and including) 6 May 2031 and ending on (and including) 6 November 2031 (the "**First Reset Date**") or on any Interest Payment Date thereafter (each an "**Issuer Call Date**") at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Conditions) to,

but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

"**Prevailing Principal Amount**" means, in respect of a Security at any time, the Original Principal Amount of such Security as reduced by any Principal Write-down of such Security (on one or more occasions) at or prior to such time pursuant to Condition 7 and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Security (on one or more occasions) at or prior to such time pursuant to Condition 7.

Tax Gross-up Call Option

Subject to certain conditions, as described below under 'Conditions to redemption and purchase', the Issuer may, at its option, redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8, if:

(a) as a result of any change in, or amendment to, the laws or regulations of Belgium, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date (a "**Change in Law**"), on the next Interest Payment Date the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

(together, a "**Tax Gross-up Event**").

Tax Deductibility Call Option

Subject to certain conditions, as described below under 'Conditions to redemption and purchase', if, as a result of a Change in Law, on the next Interest Payment Date any interest payable by the Issuer in respect of the Securities ceases (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is reduced (a "**Tax Deductibility Event**"), the Issuer may, at its option, redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

Regulatory Call Option

Subject to certain conditions, as described below under 'Conditions to redemption and purchase', upon the occurrence of a Regulatory Event, the Issuer may, at its option, redeem the Securities in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Conditions) to but excluding the date of redemption and any additional amounts payable in accordance with Condition 8.

A "**Regulatory Event**" means an event that shall be deemed to have occurred if the Issuer determines, in good faith, and after consultation with the Competent Authority, that by reason of a change (or a prospective change which the Competent Authority considers to be sufficiently certain) to the regulatory classification of the Securities, at any time after the Issue Date, the Securities cease (or would cease), in whole or in part, to be included in or count towards the Additional Tier 1 Capital of the Issuer on a solo and/or consolidated basis (having so counted prior to the Regulatory Event occurring). For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial exclusion of the Securities as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down.

MREL/TLAC Disqualification Event

Subject to certain conditions, as described below under 'Conditions to redemption and purchase', upon the occurrence of an MREL/TLAC Disqualification Event, the Issuer may at its option, redeem the Securities, in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

"**MREL/TLAC Disqualification Event**" means at any time that all or part of the outstanding nominal amount of the Securities does not or will not qualify as MREL/TLAC-Eligible Instruments under Applicable MREL/TLAC Regulations, either by reason of (i) a change in the Applicable MREL/TLAC Regulations (or the application or the official interpretation of such regulations) or (ii) the Applicable MREL/TLAC Regulations becoming effective, except where such non-qualification:

(a) 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;

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

(c) is as a result of the relevant Securities being bought back by or on behalf of the Issuer or a buy back of the relevant Securities which is funded by or on behalf of the Issuer.

Clean-up Call Option

Subject to certain conditions, as described below under 'Conditions to redemption and purchase', if, prior to the giving of the notice referred to in Condition 5.6, 75 per cent. or more of the aggregate Original Principal Amount of the Securities originally issued (and, for these purposes, any further Securities issued pursuant to Condition 13 will be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled, the Issuer may at its option, redeem the Securities, in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions)

to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

Conditions to redemption and purchase

Any optional redemption of Securities and any purchase of Securities is subject, as applicable, to the following, in each case only if and to the extent then required by Applicable Banking Regulations:

(a) compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required);

(b) in the case of redemption of the Securities upon the occurrence of a Tax Gross-up Event or a Tax Deductibility Event prior to the fifth anniversary of the Issue Date only, the Issuer having demonstrated to the satisfaction of the Competent Authority that (A) the Change in Law was not reasonably foreseeable as at the Issue Date and (B) the relevant change in tax treatment is material;

(c) in the case of redemption of the Securities upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date only, the Issuer having demonstrated to the satisfaction of the Competent Authority that the change (or prospective change) in the regulatory classification (or reclassification) of the Securities was not reasonably foreseeable as at the Issue Date; and

(d) in the case of any redemption or purchase of the Securities prior to the fifth anniversary of the Issue Date pursuant to Condition 5.5, 5.6 or 5.8, either (A) the Issuer has (or will, on or before the relevant purchase date, have) replaced the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (B) in the case of any purchase pursuant to Condition 5.8, the relevant Securities are being purchased for market-making purposes in accordance with the Applicable Banking Regulations.

Any refusal by the Competent Authority and/or the Relevant Resolution Authority to give its approval as contemplated above shall not constitute a default for any purpose.

"**Applicable Banking Regulations**" means, at any time, the laws, regulations, rules, guidelines and policies of the Competent Authority (whether or not having the force of law), of the European Banking Authority, or of the European Parliament and Council then in effect in Belgium, relating to capital adequacy (whether on a risk-weighted, leverage or other basis), prudential supervision (including the requisite features of own funds instruments) and/or resolution, and applicable to the Issuer at such time (and, for the avoidance of doubt, including as at

the Issue Date the rules contained in, or implementing, CRD IV, BRRD and the rules contained in the Belgian Banking Law).

"**Belgian Banking Law**" means the law of 25 April 2014 on the status and supervision of credit institutions.

"**Competent Authority**" means the European Central Bank, the National Bank of Belgium, any successor or replacement to or of either of them, or any other authority having primary responsibility for the prudential and/or resolution oversight and supervision of the Issuer, as determined by the Issuer.

"**Relevant Resolution Authority**" means the Single Resolution Board established pursuant to the SRM Regulation and defined therein, the *Afwikkelingscollege*/*Collège de résolution* of the National Bank of Belgium, and/or any other authority entitled to exercise or to participate in the exercise of any 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).

Substitution and variation

If an Alignment Event, an MREL/TLAC Disqualification Event, a Regulatory Event, a Tax Gross-up Event or a Tax-Deductibility Event (each a "**Special Event**") has occurred and is continuing, the Issuer may, at its option, without any requirement for the consent or approval of the holders, substitute all (but not some only) of the Securities or vary the terms of all (but not some only) of the Securities so that they become or remain (as the case may be) Qualifying Securities.

Any substitution or variation of the Securities pursuant to the Conditions is subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required).

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

(a) that:

(A) contain terms which at such time comply with the then current requirements of the Competent Authority in relation to (i) Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the Special Event redemption events which are included in the Securities) and (ii) in the case of an MREL/TLAC Disqualification Event, MREL;

(B) carry the same rights to redeem as set out in Condition 5.2 and the same rate of interest from time to time applying to the Securities prior to the relevant substitution or variation;

(C) rank *pari passu* with the Securities prior to the substitution or variation;

(D) shall not at the time of the relevant variation or substitution be subject to a Special Event;

(E) where the Securities had a solicited published rating from a rating agency immediately prior to the relevant substitution or variation, each such rating agency has ascribed or announced its intention to ascribe at least the same published rating to the relevant securities; and

(F) have terms not materially less favourable to the holders than the terms of the Securities, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered to the Agent a certificate to that effect signed by two of its directors; and

(b) that if (A) the Securities were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) if the Securities were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer.

Interest

The Securities bear interest on their outstanding Prevailing Principal Amount:

(a) from (and including) the Issue Date to (but excluding) the First Reset Date, at a fixed rate of 6.125 per cent. *per annum*; and

(b) in the case of each Interest Period which commences on or after the First Reset Date, at the sum, converted from an annual basis to a semi-annual basis, of (A) the Mid-Swap Rate applicable to the Reset Period in which that Interest Period falls and (B) the Margin,

all as determined by the Calculation Agent in accordance with Condition 3.

The Mid-Swap Rate shall be determined by reference to Reuters Screen Page "ICESWAP2", subject to the fallback and other provisions set out in the Conditions.

In addition, in the event a Benchmark Event occurs in relation to the 5-year Mid-Swap Rate (a) a Successor Rate or, failing which, an Alternative Reference Rate and (b) in either case, an Adjustment Spread may be determined for purposes of determining the Rate of Interest (or the relevant component part thereof).

Subject to cancellation of any interest payment (in whole or in part) pursuant to Condition 3.2, interest shall be payable semi-annually in arrear in equal instalments on each Interest Payment Date.

Interest cancellation

The Issuer may, in its sole and absolute discretion, at any time on or before the scheduled payment date elect to cancel any Interest Payment, in whole or in part, which is scheduled to be paid on any date.

Furthermore, the Issuer shall cancel (in whole or in part, as applicable) any Interest Payment otherwise due to be paid on any date if and to the extent that:

(a) the payment of such Interest Payment (together with any Additional Amounts, if applicable), when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Securities or on any other own funds items in the then current financial year (excluding any such interest payments or other distributions which (A) are not required to be made out of Distributable Items or (B) have already been provided for, by way of deduction, in the calculation of Distributable Items) and any other amounts which the Competent Authority may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded;

(b) the payment of such Interest Payment (together with any Additional Amounts, if applicable) would cause, when aggregated together with other distributions of the kind referred to in Article 101, §1 of the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or any other relevant provisions of the Belgian Banking Law, the Maximum Distributable Amount (if any) then applicable to the Issuer on a solo or consolidated basis to be exceeded;

(c) the payment of such Interest Payment (together with any Additional Amounts, if applicable) has been limited or suspended by the Relevant Resolution Authority in accordance with Article 10a of the SRM Regulation and/or Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD) or any other relevant provisions of the Belgian Banking Law due to such payment exceeding the MREL-Maximum Distributable Amount (if any) then applicable to the Issuer on a consolidated basis; or

(d) the Competent Authority orders the Issuer to cancel the payment of interest.

Interest payments may also be cancelled in accordance with Condition 7.

Any Interest Payment (or part thereof) not paid on the scheduled payment date shall be cancelled, shall not accumulate and shall not become due or payable at any time thereafter, whether in bankruptcy (*faillissement/ faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from

declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

Non-payment of any Interest Payment (or part thereof) will not constitute an event of default by the Issuer for any purpose (whether under the Securities or otherwise) or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever, will not entitle holders to petition for the insolvency or dissolution of the Issuer and the holders shall have no right to the Interest Payment (or part thereof) not paid.

See Condition 3.2.

Trigger Event

A "**Trigger Event**" will occur if, at any time, either the Solo CET1 Ratio or the Consolidated CET1 Ratio is less than 5.125 per cent. as determined by the Issuer, the Competent Authority or any entity appointed by or acting on behalf of the Competent Authority.

Principal Write-down

Upon the occurrence of a Trigger Event, a Principal Write-down will occur.

On a Trigger Event Write-down Date:

(a) all interest accrued on each Security up to (and including) the Trigger Event Write-down Date shall be automatically and irrevocably cancelled (whether or not the same has become due at such time); and

(b) without prejudice to any Principal Write-up, the then Prevailing Principal Amount of each Security shall be automatically and irrevocably reduced by the relevant Write-down Amount (such reduction being referred to as a "**Principal Write-down**" and "**Written Down**" being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Competent Authority and subject to Condition 7.1(e), pro rata and concurrently with the Principal Write-down of the other Securities and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any Loss Absorbing Instruments.

"**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Security is to be Written Down and which is calculated per Security, being the lower of:

(a) the amount per Security (together with, subject to Condition 7.1(e), the concurrent pro rata Principal Write-down of the other Securities and the write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments) that would be sufficient to immediately restore the Solo CET1 Ratio and the Consolidated CET1 Ratio to at least 5.125 per cent.; or

(b) the amount necessary to reduce the Prevailing Principal Amount of the Security to one cent.

In calculating any amount in accordance with Condition 7.1(d)(i), the CET1 Capital (if any) generated as a result of the cancellation of interest pursuant to Condition 7.1(c)(i) shall not be taken into account.

If the Issuer has given a notice of redemption of the Securities pursuant to Condition 5.2, 5.3, 5.4, 5.5 or 5.6 or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Securities and, after giving such notice or entering into such agreement but prior to the relevant redemption date or purchase of the Securities, a Trigger Event occurs, the relevant redemption notice or, as the case may be, the relevant purchase agreement shall be automatically rescinded and shall be of no force and effect, the Securities will not be redeemed on the scheduled redemption date or purchased and, instead, a Principal Write-down shall occur in respect of the Securities.

See Condition 7.1.

Principal Write-up

Subject to compliance with the Applicable Banking Regulations, if both a positive Solo Net Profit and a positive Consolidated Net Profit is recorded at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion and subject to the Maximum Distributable Amount, the MREL-Maximum Distributable Amount and the Maximum Write-up Amount not being exceeded and no Trigger Event having occurred and being continuing, increase the Prevailing Principal Amount of each Security (a "**Principal Write-up**") up to a maximum of its Original Principal Amount on a pro rata basis with the other Securities and with any Discretionary Temporary Write-Down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then prevailing principal amounts thereof).

The "**Maximum Write-Up Amount**" means the lower of:

(a) the Solo Net Profit (i) multiplied by the aggregate issued original principal amount of all outstanding Written-Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Issuer on a solo basis and (ii) divided by the Tier 1 Capital of the Issuer calculated on a solo basis as at the date when the Principal Write-up is operated; and

(b) the Consolidated Net Profit (i) multiplied by the aggregate issued original principal amount of all outstanding Written-Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Issuer on a consolidated basis and (ii) divided by the Tier 1 Capital of the Issuer calculated on a consolidated basis as at the date when the Principal Write-up is operated.

"**Discretionary Temporary Write-Down Instrument**" means, at any time, any instrument (other than the Securities) issued directly or indirectly by the Issuer which at such time (a) qualifies as Additional Tier

1 Capital of the Issuer on a solo or consolidated basis, (b) has had all or some of its principal amount written-down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the relevant issuer's discretion, upon reporting a net profit.

"**Written-Down Additional Tier 1 Instrument**" means, at any time, any instrument (including the Securities) issued directly or indirectly by the Issuer and which, immediately prior to the relevant Principal Write-up of the Securities at that time, has a prevailing principal amount that, due to it having been written down, is lower than the original principal amount it was issued with.

See Condition 7.2.

Clearing system

The NBB-SSS. Access to the NBB-SSS is available through those of the participants in the NBB-SSS whose membership extends to securities such as the Securities. Participants in the NBB-SSS include Euroclear Bank SA/NV ("**Euroclear**"), Euroclear France S.A. ("**Euroclear France**"), Clearstream Banking Frankfurt ("**Clearstream Banking Frankfurt**"), Clearstream Banking Luxembourg S.A. ("**Clearstream Banking Luxembourg**"), SIX SIS AG ("**SIX SIS**"), Monte Titoli S.p.A. ("**Euronext Securities Milan**"), Interbolsa, S.A. ("**Euronext Securities Porto**"), Iberclear-ARCO ("**Iberclear**"), OeKB CSD GmbH ("**OeKB**") and LuxCSD S.A. ("**LuxCSD**"). Accordingly, the Securities will be eligible to clear through, and therefore be accepted by, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD or other NBB-SSS participants, and investors can hold their interests in the Securities within securities accounts in Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD. The Securities are transferred by account transfer.

Ratings

The Securities are expected to be rated BB+ by S&P and Baa3 by Moody's.

As defined by S&P, an obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation. The addition of a plus (+) or minus (-) sign shows the relative standing within the major rating categories.

As defined by Moody's, a 'Baa' rating means that the obligations of the Issuer under the Securities are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Each of S&P and Moody's is established in the European Union and is registered under Regulation (EU) No 1060/2009, as amended. Each of S&P and Moody's is displayed on the latest update of the list of registered credit rating agencies on the ESMA website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Withholding tax

All payments of principal and/or interest by or on behalf of the Issuer in respect of the Securities will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In such event, the Issuer shall pay such additional amounts ("**Additional Amounts**") in respect of Interest Payments (but not, for the avoidance of doubt, in respect of payments of principal) as may be necessary such that the net amounts of interest received by the holders of the Securities after such withholding or deduction shall not be less than the amounts of interest which would have been receivable in respect of the Securities in absence of such withholding or deduction. If a holder of the Securities is eligible for a reduced rate of withholding or deduction, the Additional Amounts shall solely cover such reduced rate of withholding or deduction and the relevant holder of the Securities shall furnish the Issuer with all the required documentation to enable the Issuer to apply such reduced withholding or deduction. In any case, no such Additional Amounts shall be payable with respect to any Security:

(a) Other connection: to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of such Security by reason of its having some connection with the Kingdom of Belgium other than the mere holding of such Security; or

(b) Lawful avoidance of withholding: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security is presented for payment; or

(c) Other paying agent: where the holder of such Securities 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

(d) Non-Eligible Investor: to, or to a third party on behalf of, a holder who, at the time of its acquisition of the Securities, was not an Eligible Investor or to a holder who was such an Eligible Investor at the time of its acquisition of the Securities but, for reason within the holder's control, either ceased to be an Eligible Investor or, at any relevant time on or after its acquisition of the Securities, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian law of 6 August 1993 relating to transactions in certain securities; or

(e) Conversion into registered securities: to, or to a third party on behalf of, a holder who is liable to such Taxes because the Securities were upon its request converted into registered Securities and could no longer be cleared through the NBB-SSS; or

(f) Available Distributable Items and compliance with the Maximum Distributable Amount and the MREL-Maximum Distributable Amount: if and to the extent that (i) the Issuer does not have sufficient Distributable Items to make such payment and/or (ii) such payment would cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount (if any) then applicable to the Issuer on a consolidated basis to be exceeded, if required to be calculated at such time.

See Condition 8.

Governing law

The Securities (and any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, Belgian law.

Each holder acknowledges and accepts that the Amounts Due arising under the Securities may be subject to the exercise of Statutory Loss Absorption Powers by the Relevant Resolution Authority.

Listing and admission to trading

Application has been made to the Luxembourg Stock Exchange for the Securities to be listed on the Official List and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of MiFID II.

Statutory auditors

KPMG Bedrijfsrevisoren BV/SRL, represented by Olivier Macq, Luchthaven Nationaal 1 K, 1930 Zaventem (a member of IBR – IRE *Instituut der Bedrijfsrevisoren/lnstitut des Réviseurs d'Entreprises*).

Selling restrictions

See the section "*Subscription and sale*".

Risk factors

See the section "*Risk factors*".

Use of proceeds

The net proceeds of the issue of the Securities will be used by the Issuer for its general corporate purposes, among other things for the refinancing of existing financial indebtedness (including the EUR 500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities (ISIN: BE0002582600 / Common Code: 176404680)

in respect of which the Issuer has launched a cash tender offer concurrently with the issue of the Securities).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF, shall be incorporated by reference in, and form part of, this Prospectus:

(i) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2022, together with the related auditors' report, set out in the Issuer's 2022 annual report (https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Annual%20Report%20Belfius%20Bank%202022%20-%20ENG.pdf);

(ii) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2023, together with the related auditors' report, set out in the Issuer's 2023 annual report (available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/Annual-Report-2023-EN.pdf);

(iii) the disclosure document on "Alternative Performance Measures" for the financial year ended 31 December 2022 (available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2022%20Alternative%20Performance%20Measures.pdf);

(iv) the disclosure document on "Alternative Performance Measures" for the financial year ended 31 December 2023 (available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/2023-APM.pdf);

(v) the unaudited half-year report of the Issuer for the period ended 30 June 2024 (available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/1H%202024%20Half-year%20report.pdf);

(vi) the disclosure document on "Alternative Performance Measures" for the period ended 30 June 2024 (available on https://www.belfius.be/about-us/dam/corporate/investors/ratios-en-rapporten/belfius-reports/en/1H%202024%20APM.pdf).

Such documents shall be incorporated by reference in and form part of this 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 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 Prospectus.

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in a document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus may be obtained without charge on the website of the Issuer at www.belfius.be/about-us/en/investors and on the website of the Luxembourg Stock Exchange at www.luxse.com.

The tables below set out the relevant page references for (i) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2022 and 31 December 2023, respectively, as set out in the Issuer's 2022 and 2023 annual reports and (ii) the unaudited condensed consolidated financial statements of the Issuer for the period ended 30 June 2024, as set out in the Issuer's 2024 half year report. Information contained in the documents incorporated by reference other than information listed in the tables below does not form part of, and is not

incorporated by reference into, this Prospectus. Such non-incorporated parts are either deemed not relevant for investors or are covered elsewhere in this Prospectus. The consolidated balance sheet and consolidated statement of income of the Issuer can be found in the section "*Selected financial information*".

Audited consolidated accounts of the Issuer for the financial years ended 31 December 2022 and 31 December 2023 and unaudited consolidated accounts of the Issuer for the period ended 30 June 2024

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

Alternative performance measures for the financial years ended 31 December 2022 and 31 December 2023 and for the period ended 30 June 2024

	Belfius Bank SA/NV		
	Alternative performance measures 2022	**Alternative performance measures 2023**	**Alternative performance measures Half-Year 2024**
common equity tier 1 ratio	1	1	1
tier 1 ratio	1	1	1
total capital ratio	1	1	1
leverage ratio	2	2	2
solvency II ratio	2	2	2
liquidity coverage ratio	2	2	2
net stable funding ratio	2	2	2
net interest margin	3	3	3

	Documents incorporated by reference		
cost-income ratio	3	3	3
credit cost ratio	3	3	3
asset quality ratio	4	4	4
coverage ratio	4	4	4
return on equity	4	4	4
return on assets	4	4	4
return on normative regulatory equity	5	5	5
total savings and investments of commercial activities	5-6	5-6	5-6
total loans to customers	6	6	6
ALM liquidity bond portfolio	6	6	6
ALM yield bond portfolio	7	7	7
credit guarantee portfolio	7	7	7
funding diversification	7-8	7-8	7-8
life income margin	8	-	-
non-life expense ratio	9	8	8
non-life net loss ratio	9	9	9
insurance service expenses adjusted	-	9	9
adjusted results	10-11	9-10	9-10

TERMS AND CONDITIONS OF THE SECURITIES

*The following is the text of the terms and conditions (the "**Conditions**") of the Securities:*

The €500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities (the "**Securities**", which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 13 and forming a single series with the Securities) of Belfius Bank SA/NV (the "**Issuer**") are issued subject to and with the benefit of (i) an agency agreement dated 4 November 2024 (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer and Belfius Bank SA/NV as paying agent, calculation agent and fiscal agent (the "**Calculation Agent**" and the "**Agent**", which expressions shall include any successor or replacement Calculation Agent or Agent and, in the case of the Agent, any other paying agents appointed pursuant to the Agency Agreement (the Agent together with any of the paying agents, the "**Paying Agents**")) and (ii) a service contract for the issuance of fixed income securities dated on or about the Issue Date (such agreement as amended and/or supplemented and/or restated from time to time, the "**Clearing Services Agreement**") made between the Issuer, the Agent and the National Bank of Belgium (the "**NBB**").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Services Agreement. Copies of the Agency Agreement and the Clearing Services Agreement are available for inspection during normal business hours by the holders at the specified office of the Paying Agent. The holders are deemed to have notice of all the provisions of the Agency Agreement and the Clearing Services Agreement applicable to them.

References to Conditions are, unless the context otherwise requires, to the numbered paragraphs below. References to any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated and/or replaced from time to time.

Capitalised terms not otherwise defined in Conditions 1 to 17 have the meanings given thereto in Condition 18.

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

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

1 Form, Denomination and Title

The Securities are in dematerialised form in accordance with the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen*/*Code des Sociétés et des Associations*) (the "**Code**"). The Securities will be represented by a book entry in the records of the securities settlement system operated by the NBB or any successor thereto (the "**NBB-SSS**"). The Securities can be held by their holders through the participants in the NBB-SSS, including Euroclear Bank SA/NV ("**Euroclear**"), Euroclear France S.A. ("**Euroclear France**"), Clearstream Banking Frankfurt ("**Clearstream Banking Frankfurt**"), Clearstream Banking Luxembourg S.A. ("**Clearstream Banking Luxembourg**"), SIX SIS AG ("**SIX SIS**"), Monte Titoli S.p.A. ("**Euronext Securities Milan**"), Interbolsa, S.A. ("**Euronext Securities Porto**"), Iberclear-ARCO ("**Iberclear**"), OeKB CSD GmbH ("**OeKB**") and LuxCSD S.A. ("**LuxCSD**"). Accordingly, the Securities will be eligible to clear through, and therefore be accepted by, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS,

Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD or other NBB-SSS participants, and investors can hold their interests in the Securities within securities accounts in Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD. The Securities are transferred by account transfer.

The Securities are accepted for settlement through the NBB-SSS and are accordingly subject to the applicable Belgian settlement regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the Terms and Conditions governing the participation in the NBB-SSS and its annexes, as issued or modified by the NBB from time to time (these laws, decrees and rules together, the "**NBB-SSS Regulations**"). The Securities cannot be physically delivered and may not be converted into bearer securities (*effecten aan toonder*/*titres au porteur*).

Holders are entitled to exercise the rights they have, including but not limited to exercising their voting rights and other associative rights (as defined for the purposes of the Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB, LuxCSD or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Securities (or the position held by the financial institution through which their Securities are held with the NBB, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB, LuxCSD or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

For such purposes, each person who is from time to time shown in the records of a participant, sub-participant or the NBB as operator of the NBB-SSS as the holder of a particular amount of Securities shall be treated as the holder of those Securities and any certificate or other document issued by any participant or the NBB shall be conclusive and binding.

If, at any time, the Securities are transferred to any other clearing system which is not exclusively operated by the NBB, these Conditions shall apply *mutatis mutandis* in respect of such Securities.

The Securities are issued in denominations of €200,000 and can only be settled through the NBB-SSS in nominal amounts equal to a whole denomination (or a whole multiple thereof).

2 Status of the Securities

2.1 Status

The Securities constitute direct, unconditional, unsecured, unguaranteed and deeply subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the holders are subordinated as described in Condition 2.2.

2.2 Subordination

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 the

Securities against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the Securities shall, subject to applicable law, rank:

(a) junior to the claims of all unsubordinated creditors of the Issuer;

(b) junior to the rights and claims of holders of all subordinated indebtedness of the Issuer (including Tier 2 Capital Instruments) other than: (i) any Junior Obligations and (ii) any Parity Securities;

(c) *pari passu* without any preference among themselves and *pari passu* with any Parity Securities; and

(d) senior only to the rights and claims of holders of any class of share capital of the Issuer and any obligation that ranks, or is expressed to rank, junior to the Issuer's obligations under the Securities.

2.3 No set-off, compensation, retention or netting

Subject to applicable law, no holder of a Security may exercise or claim any right of set-off, compensation, retention or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each holder of a Security shall, by virtue of its subscription, purchase or holding of a Security (or any beneficial interest therein), be deemed to have waived all such rights of set-off, compensation, retention or netting. Notwithstanding the preceding sentence, if any of the amounts owing to any holder by the Issuer in respect of, or arising under or in connection with, the Securities is discharged by set-off, compensation, retention or netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount for the benefit of the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

2.4 Claims subject to Principal Write-down and subsequent Principal Write-up

Any claim of any holder in respect of or arising under the Securities for any amount of principal will be for the Prevailing Principal Amount of such Securities, irrespective of whether the relevant Trigger Event Write-down Notice has been given prior to or after the occurrence of any event described in Condition 10 or any other event.

3 Interest and interest cancellation

3.1 Interest

(a) Interest rate and Interest Payment Dates

The Securities bear interest on their outstanding Prevailing Principal Amount at the applicable Rate of Interest from (and including) the Issue Date. Subject to cancellation of any interest payment (in whole or in part) pursuant to Condition 3.2, interest shall be payable semi-annually in arrear in equal instalments on each Interest Payment Date.

The amount of interest per €200,000 in Original Principal Amount of the Securities payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will,

provided there is no Principal Write-down pursuant to Condition 7 and subject to any cancellation of interest (in whole or in part) pursuant to Condition 3.2, be €6,125.

The Calculation Agent will, as soon as practicable after 11:00 a.m. (Central European time) on each Mid-Swap Rate Determination Date, determine the applicable Mid-Swap Rate.

(b) Interest Accrual

Subject always to Condition 7 and to cancellation of interest (in whole or in part) pursuant to Condition 3.2, each Security will cease to bear interest from and including its due date for redemption unless payment of the principal in respect of the Security is improperly withheld or refused or unless default is otherwise made in respect of payment.

In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Security have been paid; and

(ii) the date which is five days after the date on which the full amount of the moneys payable in respect of such Securities has been received by the Agent and notice to that effect has been given to the holders in accordance with Condition 11.

(c) Publication of Mid-Swap Rate and amount of interest

The Calculation Agent will cause each Mid-Swap Rate and the amount of interest payable per Security for each Reset Period commencing on or after the First Reset Date determined by it to be notified to each listing authority, stock exchange and/or quotation system (if any) by which the Securities have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the holders in accordance with Condition 11.

(d) Notifications etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the holders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) Calculation of interest amounts and any broken amounts

Save as provided above in respect of equal instalments, the amount of interest payable per Security (subject to Condition 7 and to cancellation in whole or in part pursuant to Condition 3.2) in respect of each Security for any period (an "**Accrual Period**", being the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due) shall be calculated by the Calculation Agent by:

(i) applying the applicable Rate of Interest to the Security;

(ii) multiplying the product thereof by (A) the actual number of days in the Accrual Period divided by (B) two times the actual number of days in the Interest Period in which the relevant Accrual Period falls; and

(iii) rounding the resulting figure in accordance with the NBB-SSS Regulations on any amount due and payable.

If the Prevailing Principal Amount of the Securities changes on one or more occasions during any Accrual Period, the Calculation Agent shall separately calculate the amount of interest (in accordance with this Condition 3.1(e)) accrued on each Security for each period within such Accrual Period during which a different Prevailing Principal Amount subsists, and the aggregate of such amounts shall be the amount of interest payable (subject to Condition 7 and to cancellation in whole or in part pursuant to Condition 3.2) in respect of a Security for the relevant Accrual Period.

(f) Benchmark replacement

References in this Condition 3.1(f) (and in the definitions of Adjustment Spread, Alternative Reference Rate, Benchmark Event, Relevant Nominating Body and Successor Rate) to the 5-year Mid-Swap Rate shall be the rate described in paragraph (a) of such definition.

If the Issuer determines that a Benchmark Event occurs in relation to the 5-year Mid-Swap Rate, then the following provisions shall apply to the Securities:

(i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with a Reference Rate Determination Agent with a view to the Issuer determining (without any requirement for the consent or approval of the holders) (A) a Successor Rate or, failing which, an Alternative Reference Rate, for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Securities and (B) in either case, an Adjustment Spread;

(ii) if the Issuer is unable to appoint a Reference Rate Determination Agent 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 3.1(f);

(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 5-year Mid-Swap Rate for each of the future Reset Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 3.1(f));

(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 Reference Rate Determination Agent (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 Reference Rate Determination Agent (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 holders) also specify changes to these 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, Screen Page, Business Days, Mid-Swap Rate Determination Date and/or the definition of 5-year Mid-Swap Rate and (B) the method for determining the fall-back rate in relation to the Securities. For the avoidance

of doubt, the Paying Agents 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 Conditions as may be required in order to give effect to the application of this Condition 3.1(f). No consent shall be required from the holders 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 Paying Agents 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 Paying Agents and, in accordance with Condition 11, the holders. 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 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 Securities, shall be made in accordance with the relevant Applicable Banking Regulations (if applicable).

A Reference Rate Determination Agent appointed pursuant to this Condition 3.1(f) 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 Paying Agents or the holders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3.1(f).

Notwithstanding any other provision in this Condition 3.1(f), 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 Conditions will be made pursuant to this Condition 3.1(f), if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Securities giving rise to a Regulatory Event or an MREL/TLAC Disqualification Event or otherwise leading to a disqualification of the Securities as MREL/TLAC-Eligible Instruments under Applicable MREL/TLAC Regulations.

Without prejudice to the obligations of the Issuer under this Condition 3.1(f), the 5-year Mid-Swap Rate and the other provisions in this Condition 3 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 Conditions (if any).

3.2 Interest cancellation

(a) Optional cancellation of interest

The Issuer may, in its sole and absolute discretion (but subject at all times to the requirements for mandatory cancellation of interest payments in Condition 3.2(b)), at any time on or before the scheduled payment date elect to cancel any Interest Payment, in whole or in part, which is scheduled to be paid on any date.

(b) Mandatory cancellation of interest

The Issuer shall cancel (in whole or in part, as applicable) any Interest Payment otherwise due to be paid on any date if and to the extent that:

(i) the payment of such Interest Payment (together with any Additional Amounts, if applicable), when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Securities or on any other own funds items in the then current financial year (excluding any such interest payments or other distributions which (A) are not required to be made out of Distributable Items or (B) have already been provided for, by way of deduction, in the calculation of Distributable Items) and any other amounts which the Competent Authority may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded;

(ii) the payment of such Interest Payment (together with any Additional Amounts, if applicable) would cause, when aggregated together with other distributions of the kind referred to in Article 101, §1 of the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or any other relevant provisions of the Belgian Banking Law, the Maximum Distributable Amount (if any) then applicable to the Issuer on a solo or consolidated basis to be exceeded;

(iii) the payment of such Interest Payment (together with any Additional Amounts, if applicable) has been limited or suspended by the Relevant Resolution Authority in accordance with Article 10a of the SRM Regulation and/or Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD) or any other relevant provisions of the Belgian Banking Law due to such payment exceeding the MREL-Maximum Distributable Amount (if any) then applicable to the Issuer on a consolidated basis; or

(iv) the Competent Authority orders the Issuer to cancel the payment of interest.

Interest payments may also be cancelled in accordance with Condition 7.

As used in these Conditions:

"**Distributable Items**" means, subject as otherwise defined in the Applicable Banking Regulations from time to time:

(i) the amount of the Issuer's profits at the end of the financial year immediately preceding the financial year in which the relevant Interest Payment Date falls plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments of the Issuer; less

(ii) any losses brought forward, profits which are non-distributable pursuant to applicable Belgian law and sums placed to non-distributable reserves in accordance with applicable Belgian law,

those profits, losses and reserves being determined on the basis of the Issuer's non-consolidated accounts.

"**Maximum Distributable Amount**" means any maximum distributable amount relating to the Issuer on a solo or consolidated basis required to be calculated in accordance with (a) Articles 100 and 101, §1 of the Belgian Banking Law, read together with Article 1 of Schedule V (*Restrictions on distributions*) to the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or (b) any other applicable provisions of the Applicable Banking Regulations.

"**MREL-Maximum Distributable Amount**" means any maximum distributable amount relating to the Issuer required to be calculated in accordance with (a) Article 230/1 of the Belgian Banking

Law and any other provision of Belgian law transposing or implementing Article 16a of the BRRD, (b) Article 10a of the SRM Regulation or (c) any other applicable provisions of the Applicable Banking Regulations.

(c) Notice of cancellation of interest

Upon the Issuer electing (pursuant to Condition 3.2(a)) or determining that it shall be required (pursuant to Condition 3.2(b)) to cancel (in whole or in part) any Interest Payment, the Issuer shall as soon as reasonably practicable give notice to the holders in accordance with Condition 11, specifying the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant Interest Payment that will be paid on the scheduled payment date, provided, however, that any failure to give such notice shall not affect the validity of the cancellation of any Interest Payment in whole or in part which shall be as effective as if such notice had been given and shall not constitute a default under the Securities for any purpose.

In the absence of such notice being given, the fact of non-payment (in whole or in part) of the relevant Interest Payment on the relevant date shall be evidence of the Issuer having elected or being required to cancel such Interest Payment in whole or in part, as applicable.

(d) Interest non-cumulative; no event of default or restrictions

Any Interest Payment (or part thereof) not paid on the scheduled payment date by reason of Condition 3.2(a), 3.2(b) or 7 shall be cancelled, shall not accumulate and shall not become due or payable at any time thereafter, whether in bankruptcy (*faillissement/faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

Non-payment of any Interest Payment (or part thereof) in accordance with any of Condition 3.2(a), 3.2(b) or 7 will not constitute an event of default by the Issuer for any purpose (whether under the Securities or otherwise) or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever, will not entitle holders to petition for the insolvency or dissolution of the Issuer and the holders shall have no right to the Interest Payment (or part thereof) not paid.

4 Payments

4.1 Payments in respect of Securities

Payments of principal, interest and other sums due under the Securities will be made in accordance with the NBB-SSS Regulations. The payment obligations of the Issuer will be discharged by payment to the NBB-SSS in respect of each amount so paid.

4.2 Payments on Business Days

If the due date for payment of any amount in respect of any Security is not a Business Day, the holder shall not be entitled to payment of the amount due until the next succeeding such Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

4.3 Payments subject to applicable laws

Payments in respect of principal of and interest on the Securities are subject in all cases to any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 8.

5 Redemption and Purchase

5.1 No fixed maturity

The Securities are perpetual and have no fixed maturity date. The Securities will become repayable only as provided in this Condition 5 and in Condition 10.

5.2 Redemption at the Option of the Issuer (Issuer Call)

Subject to Condition 5.7, the Issuer may, at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.7, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Securities:

(i) on any day falling in the period commencing on (and including) 6 May 2031 and ending on (and including) the First Reset Date; or

(ii) on any Interest Payment Date thereafter,

at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

5.3 Redemption for Taxation Reasons

(a) Redemption upon a Tax Gross-up Event

Subject to Condition 5.7, if:

(i) as a result of any change in, or amendment to, the laws or regulations of Belgium, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date (a "**Change in Law**"), on the next Interest Payment Date the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

(together, a "**Tax Gross-up Event**"), the Issuer may, at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.7, be irrevocable), redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Securities then due.

(b) Redemption upon a Tax Deductibility Event

Subject to Condition 5.7, if, as a result of a Change in Law, on the next Interest Payment Date any interest payable by the Issuer in respect of the Securities ceases (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is reduced (a "**Tax Deductibility Event**"), the Issuer may, at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.7, be irrevocable), redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8, provided that no such notice of redemption shall be given earlier than 90 days prior to the first scheduled Interest Payment Date in respect of which a deduction would not be available or would be reduced.

(c) Directors' Certificate

Prior to the publication of any notice of redemption pursuant to this Condition 5.3, the Issuer shall deliver to the Agent (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that, as a result of the Change in Law, either (A) in the case of a redemption upon the occurrence of a Tax Gross-up Event, the Issuer has or will become obliged to pay the relevant additional amounts or (B) in the case of a redemption upon the occurrence of a Tax Deductibility Event, any interest payable by the Issuer in respect of the Securities has ceased (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is, or would be, reduced.

5.4 Redemption upon a Regulatory Event

(a) Redemption

Subject to Condition 5.7, upon the occurrence of a Regulatory Event, the Issuer may at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.7 be irrevocable), redeem the Securities, in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

A "**Regulatory Event**" means an event that shall be deemed to have occurred if the Issuer determines, in good faith, and after consultation with the Competent Authority, that by reason of a change (or a prospective change which the Competent Authority considers to be sufficiently certain) to the regulatory classification of the Securities, at any time after the Issue Date, the Securities cease (or would cease), in whole or in part, to be included in or count towards the Additional Tier 1 Capital of the Issuer on a solo and/or consolidated basis (having so counted prior to the Regulatory Event occurring). For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial exclusion of the Securities as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down.

(b) Directors' Certificate

Prior to the publication of any notice of redemption pursuant to this Condition 5.4, the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer stating that a Regulatory Event has occurred.

5.5 Redemption upon an MREL/TLAC Disqualification Event

(a) Redemption

Subject to Condition 5.7, upon the occurrence of an MREL/TLAC Disqualification Event, the Issuer may at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.7 be irrevocable), redeem the Securities, in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

"**MREL/TLAC Disqualification Event**" means at any time that all or part of the outstanding nominal amount of the Securities does not or will not qualify as MREL/TLAC-Eligible Instruments under Applicable MREL/TLAC Regulations, either by reason of (i) a change in the Applicable MREL/TLAC Regulations (or the application or the official interpretation of such regulations) or (ii) the Applicable MREL/TLAC Regulations becoming effective, 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 as a result of the relevant Securities being bought back by or on behalf of the Issuer or a buy back of the relevant Securities which is funded by or on behalf of the Issuer.

(b) Directors' Certificate

Prior to the publication of any notice of redemption pursuant to this Condition 5.5, the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer stating that an MREL/TLAC Disqualification Event has occurred.

5.6 Redemption at the Option of the Issuer (Clean-up Call Option)

(a) Redemption

Subject to Condition 5.7, if, prior to the giving of the notice referred to below in this Condition 5.6, 75 per cent. or more of the aggregate Original Principal Amount of the Securities originally issued (and, for these purposes, any further Securities issued pursuant to Condition 13 will be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled, the Issuer may at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.7 be irrevocable), redeem the Securities, in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

(b) Directors' Certificate

Prior to the publication of any notice of redemption pursuant to this Condition 5.6, the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer stating that it is entitled to redeem the Securities pursuant to this Condition 5.6.

5.7 Conditions to Redemption and Purchase

(a) General conditions to redemption and purchase

Any optional redemption of Securities pursuant to Condition 5.2, 5.3, 5.4, 5.5 or 5.6 and any purchase of Securities pursuant to Condition 5.8 are subject, as applicable, to the following, in each case only if and to the extent then required by Applicable Banking Regulations:

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

(ii) in the case of redemption of the Securities upon the occurrence of a Tax Gross-up Event or a Tax Deductibility Event prior to the fifth anniversary of the Issue Date only, the Issuer having demonstrated to the satisfaction of the Competent Authority that (A) the Change in Law was not reasonably foreseeable as at the Issue Date and (B) the relevant change in tax treatment is material;

(iii) in the case of redemption of the Securities upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date only, the Issuer having demonstrated to the satisfaction of the Competent Authority that the change (or prospective change) in the regulatory classification (or reclassification) of the Securities was not reasonably foreseeable as at the Issue Date; and

(iv) in the case of any redemption or purchase of the Securities prior to the fifth anniversary of the Issue Date pursuant to Condition 5.5, 5.6 or 5.8, either (A) the Issuer has (or will, on or before the relevant purchase date, have) replaced the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (B) in the case of any purchase pursuant to Condition 5.8, the relevant Securities are being purchased for market-making purposes in accordance with the Applicable Banking Regulations.

Any refusal by the Competent Authority and/or the Relevant Resolution Authority to give its approval as contemplated above shall not constitute a default for any purpose.

(b) Redemption option pursuant to Condition 5.2 whilst the Securities are written down

The Issuer is entitled to redeem the Securities pursuant to Condition 5.2 if, on the relevant redemption date, the Prevailing Principal Amount of the Securities is lower than their Original Principal Amount.

(c) Determination of Trigger Event supersedes notice of redemption or purchase

If the Issuer has given a notice of redemption of the Securities pursuant to Condition 5.2, 5.3, 5.4, 5.5 or 5.6 or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Securities and, after giving such notice or entering into such agreement but prior

to the relevant redemption date or purchase of the Securities, a Trigger Event occurs, the relevant redemption notice or, as the case may be, the relevant purchase agreement shall be automatically rescinded and shall be of no force and effect, the Securities will not be redeemed on the scheduled redemption date or purchased and, instead, a Principal Write-down shall occur in respect of the Securities as described under Condition 7.

Following the occurrence of a Trigger Event, the Issuer shall not be entitled to give a notice of redemption of the Securities pursuant to Condition 5.2, 5.3, 5.4, 5.5 or 5.6 before the Trigger Event Write-Down Date (and any purported such notice shall be ineffective).

5.8 Purchases

Subject to Condition 5.7, the Issuer or any of its subsidiaries may purchase Securities in any manner and at any price.

Any Securities so purchased may be held, reissued or, at the option of the Issuer or the relevant subsidiary, surrendered to the Agent for cancellation.

5.9 Cancellations

All Securities which are redeemed, and all Securities which are purchased and surrendered to the Agent for cancellation, will (subject to Condition 5.7) forthwith be cancelled.

5.10 Notices Final

Subject to Condition 5.7, upon the expiry of any notice as is referred to in Conditions 5.2, 5.3, 5.4, 5.5 or 5.6 the Issuer shall be bound to redeem the Securities to which the notice refers in accordance with the terms of such Condition.

6 Substitution and Variation

6.1 Substitution and variation

Subject to Conditions 6.2 and 6.3, if an Alignment Event, an MREL/TLAC Disqualification Event, a Regulatory Event, a Tax Gross-up Event or a Tax Deductibility Event (each a "**Special Event**") has occurred and is continuing, the Issuer may at its option, without any requirement for the consent or approval of the holders, upon not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 6.3, be irrevocable), substitute all (but not some only) of the Securities or vary the terms of all (but not some only) of the Securities so that they become or remain (as the case may be) Qualifying Securities.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the holders can inspect or obtain copies of the new terms and conditions of the Securities.

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

(i) that:

(A) contain terms which at such time comply with the then current requirements of the Competent Authority in relation to (i) Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a

period of time the application of, one or more of the Special Event redemption events which are included in the Securities) and (ii) in the case of an MREL/TLAC Disqualification Event, MREL;

(B) carry the same rights to redeem as set out in Condition 5.2 and the same rate of interest from time to time applying to the Securities prior to the relevant substitution or variation;

(C) rank *pari passu* with the Securities prior to the substitution or variation;

(D) shall not at the time of the relevant variation or substitution be subject to a Special Event;

(E) where the Securities had a solicited published rating from a rating agency immediately prior to the relevant substitution or variation, each such rating agency has ascribed or announced its intention to ascribe at least the same published rating to the relevant securities; and

(F) have terms not materially less favourable to the holders than the terms of the Securities, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered to the Agent a certificate to that effect signed by two of its directors; and

(ii) that if (A) the Securities were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) if the Securities were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer.

6.2 Conditions to substitution and variation

Any substitution or variation of the Securities pursuant to Condition 6.1 is subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required).

6.3 Determination of Trigger Event following notice of substitution or variation

If the Issuer has given a notice of substitution or variation of the Securities pursuant to Condition 6.1 and, after giving such notice but prior to the date of such substitution or variation (as the case may be), a Trigger Event occurs, the relevant notice of substitution or variation shall be automatically rescinded and shall be of no force and effect, the Securities will not be substituted or varied on the scheduled substitution or variation date and, instead, a Principal Write-down shall occur in respect of the Securities as described under Condition 7.

Following the occurrence of a Trigger Event, the Issuer shall not be entitled to give a notice of substitution or variation of the Securities pursuant to Condition 6.1 before the Trigger Event Write-Down Date.

7 Principal Write-down and Principal Write-up

7.1 Principal Write-down

(a) Trigger Event

Upon the occurrence of a Trigger Event, a Principal Write-down will occur without delay but no later than within one month or such shorter period as may be required by the Competent Authority (such date being a "**Trigger Event Write-down Date**"), all in accordance with this Condition 7.1.

(b) Trigger Event Write-down Notice

Upon the occurrence of a Trigger Event, the Issuer shall:

(i) (unless the determination was made by the Competent Authority) immediately notify the Competent Authority that a Trigger Event has occurred;

(ii) determine the Write-down Amount as soon as possible and no later than on the relevant Trigger Event Write-down Date;

(iii) give notice to holders (a "**Trigger Event Write-down Notice**") in accordance with Condition 11, which notice shall specify (A) that a Trigger Event has occurred, (B) the Trigger Event Write-down Date and (C) if it has then been determined, the Write-down Amount; and

(iv) no later than the giving of the Trigger Event Write-down Notice, deliver to the Agent a certificate signed by two directors of the Issuer stating that a Trigger Event has occurred.

The determination that a Trigger Event has occurred, including the underlying calculations, and any determination of the relevant Write-down Amount shall be irrevocable and be binding on the holders.

If the Write-down Amount has not been determined at the time the Issuer gives the Trigger Event Write-down Notice, the Issuer shall, as soon as reasonably practicable following such determination having been made, give a further notice to holders in accordance with Condition 11, confirming the Write-down Amount. Failure to provide any notice referred to in this Condition will not have any impact on the effectiveness of, or otherwise invalidate, any such Principal Write-down or give holders any rights as a result of such failure.

(c) Cancellation of interest and Principal Write-down

On a Trigger Event Write-down Date:

(i) all interest accrued on each Security up to (and including) the Trigger Event Write-down Date shall be automatically and irrevocably cancelled (whether or not the same has become due at such time); and

(ii) without prejudice to any Principal Write-up pursuant to Condition 7.2, the then Prevailing Principal Amount of each Security shall be automatically and irrevocably reduced by the relevant Write-down Amount (such reduction being referred to as a "**Principal Write-down**" and "**Written Down**" being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Competent Authority and subject to Condition 7.1(e), pro rata and concurrently with the Principal Write-down of the other

Securities and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any Loss Absorbing Instruments.

Condition 3.2 shall apply accordingly in respect of interest payments cancelled on a Trigger Event Write-down Date in accordance with Condition 7. For the avoidance of doubt, interest will continue to accrue on the Prevailing Principal Amount following the Principal Write-down, as from the Trigger Event Write-down Date (without prejudice to any Principal Write-up pursuant to Condition 7.2).

In addition, the Competent Authority shall be entitled to write down the Securities in accordance with its statutory powers, as more fully described in Condition 17.

(d) Write-down Amount

In these Conditions, "**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Security is to be Written Down and which is calculated per Security, being the lower of:

(i) the amount per Security (together with, subject to Condition 7.1(e), the concurrent pro rata Principal Write-down of the other Securities and the write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments) that would be sufficient to immediately restore the Solo CET1 Ratio and the Consolidated CET1 Ratio to at least 5.125 per cent.; or

(ii) the amount necessary to reduce the Prevailing Principal Amount of the Security to one cent.

In calculating any amount in accordance with Condition 7.1(d)(i), the CET1 Capital (if any) generated as a result of the cancellation of interest pursuant to Condition 7.1(c)(i) shall not be taken into account.

(e) Loss Absorbing Instruments

To the extent the write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Securities pursuant to Condition 7.1 and (ii) the write-down or conversion into equity of any Loss Absorbing Instrument which is not, or by the Trigger Event Write-down Date will not be, effective shall not be taken into account in determining the Write-down Amount of the Securities.

Any Loss Absorbing Instruments that may be written down or converted to equity in full (save for any one cent floor) but not in part only shall be treated for the purposes only of determining the relevant pro rata amounts in Condition 7.1(c)(ii) and 7.1(d) as if their terms permitted partial write-down or conversion into equity.

In the event of a concurrent write-down of any Loss Absorbing Instrument (if any), the pro rata write-down and/or conversion of such Loss Absorbing Instrument shall only be taken into account to the extent required to restore the Solo CET1 Ratio and the Consolidated CET1 Ratio contemplated above to the lower of (x) such Loss Absorbing Instrument's trigger level and (y) 5.125 per cent., in each case in accordance with the terms of such Loss Absorbing Instrument and the Applicable Banking Regulations.

(f) No default

Any Principal Write-down of the Securities shall not:

(i) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;

(ii) constitute the occurrence of any event related to the insolvency of the Issuer or entitle the holders to any compensation or to take any action to cause the liquidation, dissolution or winding-up of the Issuer.

The holders shall have no further rights or claims against the Issuer (whether in the case of the liquidation, dissolution or winding-up of the Issuer by reason of bankruptcy (*faillissement/faillite*) or otherwise) with respect to any interest cancelled and any principal Written Down in accordance with this Condition 7.1 (including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment of principal, but without prejudice to their rights in respect of any reinstated principal following a Principal Write-up pursuant to Condition 7.2).

(g) Principal Write-down may occur on one or more occasions

A Principal Write-down may occur on one or more occasions and accordingly the Securities may be Written Down on one or more occasions (provided, however, that the principal amount of a Security shall never be reduced to below one cent).

7.2 Principal Write-up

(a) Principal Write-up

Subject to compliance with the Applicable Banking Regulations, if both a positive Solo Net Profit and a positive Consolidated Net Profit is recorded (a "**Return to Financial Health**") at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion but subject to Conditions 7.2(b), 7.2(c) and 7.2(d), increase the Prevailing Principal Amount of each Security (a "**Principal Write-up**") up to a maximum of its Original Principal Amount on a pro rata basis with the other Securities and with any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then prevailing principal amounts thereof), provided that the Maximum Write-up Amount is not exceeded as determined in accordance with Condition 7.2(c) below.

Any Principal Write-up Amount will be subject to the same terms and conditions as set out in these Conditions.

For the avoidance of doubt, the principal amount of a Security shall never be increased to above its Original Principal Amount.

(b) Maximum Distributable Amount and MREL-Maximum Distributable Amount

A Principal Write-up of the Securities shall not be effected in circumstances which (when aggregated together with other distributions of the kind referred to in (i) Article 101, §1 of the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or (ii) Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD) or, in each case, any other relevant provisions of the Belgian Banking Law) would cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount, if any, applicable to the Issuer on a solo or consolidated basis, as applicable, to be exceeded, if required to be calculated at such time.

(c) Maximum Write-up Amount

A Principal Write-up of the Securities will not be effected at any time to the extent the sum of:

(i) the aggregate amount of the relevant Principal Write-up on all the Securities;

(ii) the aggregate amount of any interest on the Securities that was paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a Prevailing Principal Amount that is lower than the Original Principal Amount at any time after the end of the then previous financial year;

(iii) the aggregate amount of the increase in principal amount of each Discretionary Temporary Write-down Instrument to be written-up at the time of the relevant Principal Write-up and the increase in principal amount of the Securities and any Discretionary Temporary Write-down Instruments resulting from any previous write-up since the end of the then previous financial year; and

(iv) the aggregate amount of any interest payments on each Loss Absorbing Instrument that were paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a prevailing principal amount that is lower than the original principal amount at which such Loss Absorbing Instrument was issued at any time after the end of the then previous financial year,

would exceed the Maximum Write-up Amount.

In these Conditions, the "**Maximum Write-up Amount**" means the lower of:

(i) the Solo Net Profit (i) multiplied by the aggregate issued original principal amount of all outstanding Written-Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Issuer on a solo basis and (ii) divided by the Tier 1 Capital of the Issuer calculated on a solo basis as at the date when the Principal Write-up is operated; and

(ii) the Consolidated Net Profit (i) multiplied by the aggregate issued original principal amount of all outstanding Written-Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Issuer on a consolidated basis and (ii) divided by the Tier 1 Capital of the Issuer calculated on a consolidated basis as at the date when the Principal Write-up is operated.

(d) Principal Write-up and Trigger Event

A Principal Write-up will not be effected whilst a Trigger Event has occurred and is continuing. Further, a Principal Write-up will not be effected in circumstances where such Principal Write-up (together with the simultaneous write-up of all other Discretionary Temporary Write-down Instruments) would cause a Trigger Event to occur.

(e) Principal Write-up pro rata with other Discretionary Temporary Write-down Instruments

The Issuer undertakes that it will not write-up the principal amount of any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the relevant write-up unless it does so on a pro rata basis with a Principal Write-up on the Securities.

(f) Principal Write-up may occur on one or more occasions

Principal Write-up may be made on one or more occasions until the Prevailing Principal Amount of the Securities has been reinstated to the Original Principal Amount.

Any decision by the Issuer to effect or not to effect any Principal Write-up on any occasion shall not preclude it from effecting (in the circumstances permitted by this Condition 7.2) or not effecting any Principal Write-up on any other occasion.

(g) Notice of Principal Write-up

The Issuer shall, as soon as reasonably practicable following its formal decision to effect a Principal Write-up in respect of the Securities and in any event not later than five Business Days prior to the date on which the Principal Write-up shall take effect, give notice of such Principal Write-up to the Holders in accordance with Condition 11. Such notice shall confirm the amount of such Principal Write-up and the date on which such Principal Write-up is to take effect.

7.3 Foreign Currency Instruments

If, in connection with any Principal Write-down or Principal Write-up of the Securities, any instruments are not denominated in the Accounting Currency at the relevant time ("**Foreign Currency Instruments**", which may include the Securities and/or any relevant Loss Absorbing Instruments) the determination of the relevant Write-down Amount or Write-up Amount (as the case may be) in respect of the Securities and the relevant write-down (or conversion into equity) amount or write-up amount (as the case may be) of Loss Absorbing Instruments shall be determined by the Issuer based on the relevant foreign currency exchange rate used by the Issuer in the preparation of its regulatory capital returns under the Applicable Banking Regulations.

8 Taxation

All payments of principal and/or interest by or on behalf of the Issuer in respect of the Securities will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In such event, the Issuer shall pay such additional amounts ("**Additional Amounts**") in respect of Interest Payments (but not, for the avoidance of doubt, in respect of payments of principal) as may be necessary such that the net amounts of interest received by the holders of the Securities after such withholding or deduction shall not be less than the amounts of interest which would have been receivable in respect of the Securities in absence of such withholding or deduction. If a holder of the Securities is eligible for a reduced rate of withholding or deduction, the Additional Amounts shall solely cover such reduced rate of withholding or deduction and the relevant holder of the Securities shall furnish the Issuer with all the required documentation to enable the Issuer to apply such reduced withholding or deduction. In any case, no such Additional Amounts shall be payable with respect to any Security:

(i) **Other connection:** to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of such Security by reason of its having some connection with the Kingdom of Belgium other than the mere holding of such Security; or

(ii) **Lawful avoidance of withholding**: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security is presented for payment; or

(iii) **Other paying agent**: where the holder of such Securities 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) **Non-Eligible Investor:** to, or to a third party on behalf of, a holder who, at the time of its acquisition of the Securities, was not an Eligible Investor or to a holder who was such an Eligible Investor at the time of its acquisition of the Securities but, for reason within the holder's control, either ceased to be an Eligible Investor or, at any relevant time on or after its acquisition of the Securities, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian law of 6 August 1993 relating to transactions in certain securities; or

(v) **Conversion into registered securities**: to, or to a third party on behalf of, a holder who is liable to such Taxes because the Securities were upon its request converted into registered Securities and could no longer be cleared through the NBB-SSS; or

(vi) **Available Distributable Items and compliance with the Maximum Distributable Amount and the MREL-Maximum Distributable Amount**: if and to the extent that (i) the Issuer does not have sufficient Distributable Items to make such payment and/or (ii) such payment would cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount (if any) then applicable to the Issuer on a consolidated basis to be exceeded, if required to be calculated at such time.

Notwithstanding any other provision in these Conditions, any amounts paid by or on behalf of the Issuer in respect of the Securities 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 (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.

Any reference in these Conditions to any amounts in respect of the Securities shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 8.

For the avoidance of doubt, Additional Amounts shall only be payable if and to the extent the Issuer has sufficient Distributable Items and such payment would not cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount (if any) then applicable to the Issuer on a solo or consolidated basis, as applicable, to be exceeded, if required to be calculated at such time.

9 Prescription

Claims for principal or interest shall become void ten years (in the case of principal) or five years (in the case of interest) after their due date, unless application to a court of law for such payment has been initiated on or before such respective time.

10 Enforcement

If, without prejudice to Condition 3.2, Condition 7.1(c)(i) and Condition 7.1(c)(ii), default is made in the payment of any principal or interest due in respect of the Securities or any of them and such default continues for a period of 30 days or more after the due date, any holder may institute proceedings for the dissolution or liquidation of the Issuer in Belgium. Any Interest Payment not paid by reason of Condition

3 or Condition 7 and any payment not paid by reason of Condition 5.7 shall not constitute a default under this Condition.

In the event of a dissolution or liquidation of the Issuer (including, without limitation, the following events creating a competition between creditors (*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), dissolution (*ontbinding/liquidation*) and any other measures agreed between the Issuer and its creditors relating to the Issuer's payment difficulties, or an official decree of such measure), each holder may give notice to the Issuer that the Security is, and it shall accordingly forthwith become, immediately due and repayable at its Prevailing Principal Amount, together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to the date of repayment and any additional amounts payable in accordance with Condition 8.

No remedy against the Issuer other than as referred to in this Condition 10 shall be available to the holders, whether for recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any of its obligations under or in respect of the Securities.

For the avoidance of doubt, (a) the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority shall not entitle the holders to accelerate the Issuer's payment obligations under the Securities and (b) the holders of the Securities waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Articles 5.90 to 5.93 (inclusive) of the Belgian Civil Code to rescind (*ontbinden*/*résoudre*), or to demand legal proceedings for the rescission (*ontbinding*/*résolution*) of, the Securities and (ii), to the extent applicable, all their rights whatsoever in respect of the Securities pursuant to Article 7:64 of the Code.

11 Notices

Notices to the holders shall be valid if delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the NBB-SSS. Any such notice shall be deemed given on the date and at the time it is delivered to the NBB-SSS. For so long as the Securities are admitted to listing and trading on a regulated market, any notices to holders must also be published in accordance with the rules and regulations of such market which are applicable at the relevant time and, in addition to the foregoing, will be deemed validly given on the date of such publication.

In addition to the above communications and publications, with respect to notices for meetings of holders, convening notices for such meetings shall be made in accordance with Schedule 1 (*Provisions on meetings of Securityholders*) to these Conditions.

12 Meeting of holders and Modification

12.1 Meeting of holders

All meetings of holders of Securities will be held in accordance with the provisions on meetings of Securityholders set out in Schedule 1 (*Provisions on meetings of Securityholders*) to these Conditions. The provisions of this Condition 12.1 are subject to, and should be read together with, the more detailed provisions contained in Schedule 1 (*Provisions on meetings of Securityholders*) (which shall prevail in the event of any inconsistency).

Meetings of holders of Securities may be convened to consider matters relating to Securities, including the modification or waiver of any provision of these Conditions. Any such modification

or waiver may be made if sanctioned by an Extraordinary Resolution (as defined in Schedule 1 (*Provisions on meetings of Securityholders*)).

All meetings of holders of Securities may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of holders of Securities holding not less than one fifth of the aggregate principal amount of the outstanding Securities. A meeting of holders of Securities will be entitled (subject to the consent of the Issuer) to exercise the powers set out in Schedule 1 (*Provisions on meetings of Securityholders*) and generally to modify or waive any provision of these Conditions (including any proposal (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 Securities 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 Securities or the date for any such payment in circumstances not provided for in the Conditions; (iv) to alter any provision relating to Principal Write-down or Principal Write-up; (v) to change the currency of payment of the Securities; (vi) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution; or (vii) to amend this proviso) in accordance with the quorum and majority requirements set out in Schedule 1 (*Provisions on meetings of Securityholders*). Resolutions duly passed in accordance with these provisions shall be binding on all holders, 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 holders of Securities shall be made in accordance with Schedule 1 (*Provisions on meetings of Securityholders*).

Schedule 1 (*Provisions on meetings of Securityholders*) provides that the Issuer shall be entitled, where the terms of the resolution proposed by the Issuer have been notified to the holders through the relevant securities settlement system(s) as provided in Schedule 1 (*Provisions on meetings of Securityholders*), to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant securities settlement system(s) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Securities outstanding. To the extent such electronic consent is not being sought, Schedule 1 (*Provisions on meetings of Securityholders*) provides that, if authorised by the Issuer and to the extent permitted by Belgian law, a written resolution signed by the holders of 75 per cent. in nominal amount of the Securities outstanding shall take effect as if it were an Extraordinary Resolution provided that the terms of the proposed resolution shall have been notified in advance to the Securityholders through the relevant securities settlement 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 holders of Securities.

Resolutions of holders of Securities will only be effective if such resolutions have been approved by the Issuer and, if so required, by the Competent Authority.

12.2 Modification

Subject to obtaining the approval therefor from the Competent Authority if so required, the Agent and the Issuer may agree, without the consent of the holders, to:

(i) any modification of the Agency Agreement or the Clearing Services Agreement which is not prejudicial to the interests of the holders; or

(ii) any modification of these Conditions, the Agency Agreement or the Clearing Services Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

Any such modification shall be binding on the holders and any such modification shall be notified to the holders in accordance with Condition 11 as soon as practicable thereafter.

The agreement or approval of the holders shall not be required in the case of any amendments made to the Agency Agreement and/or the Conditions pursuant to Condition 3.1(f).

13 Further Issues

The Issuer may from time to time without the consent of the holders create and issue further Securities, having terms and conditions the same as those of the Securities, or the same except for the amount and date of the first payment of interest in relation to such Securities and the date from which interest starts to accrue, which may be consolidated and form a single series with the outstanding Securities.

14 No Hardship

The Issuer acknowledges that the provisions of Article 5.74 of the Belgian Civil Code shall not apply to it with respect to its obligations under these Conditions and that it shall not be entitled to make any claim under Article 5.74 of the Belgian Civil Code.

15 Extra-contractual Liability

Each Securityholder hereby agrees that, upon the entry into force of the new book 6 on "extracontractual liability" (*buitencontractuele aansprakelijkheid*/*responsabilité extracontractuelle*) of the Belgian Civil Code (through the *Wet houdende boek 6 "Buitencontractuele aansprakelijkheid" van het Burgerlijk Wetboek*/*Loi portant le livre 6 "La responsabilité extracontractuelle" du Code civil*), the provisions of the new Article 6.3 of the Belgian Civil Code shall, to the maximum extent permitted by law, not apply under or in connection with these Conditions and that it shall not be entitled to make any extra-contractual liability claim against the Issuer or any auxiliary (*hulppersoon*/*auxiliaire*) within the meaning of Article 6.3 of the Belgian Civil Code of (any affiliate of) the Issuer with respect to a breach of a contractual obligation under or in connection with these Conditions, even if such breach of obligation also constitutes an extra-contractual liability.

16 Governing Law and Submission to Jurisdiction

16.1 Governing Law

The Agency Agreement and the Securities (and, in each case, any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, Belgian law.

16.2 Jurisdiction of the Courts of Brussels, Belgium

The Issuer agrees, for the exclusive benefit of the holders, that the courts of Brussels, Belgium are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement or the Securities (including, in each case, any dispute relating to any non-contractual obligations arising therefrom or in connection therewith) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Agency Agreement or the Securities (including, in each case, any Proceedings relating to any

non-contractual obligation arising therefrom or in connection therewith) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the courts of Brussels, Belgium shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

17 Contractual recognition of powers under the Bank Recovery and Resolution Directive

Notwithstanding and to the exclusion of any other term of the Securities or any other agreements, arrangements, or understanding between the Issuer and any holder, by its acquisition of the Securities (or any interest therein), each holder (which, for the purposes of this Condition 17, includes each holder of a beneficial interest in the Securities) acknowledges and accepts that the Amounts Due arising under the Securities may be subject to the exercise of Statutory Loss Absorption Powers by the Relevant Resolution Authority, and acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of the exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority, which exercise may include and result in any of the following, or some combination thereof:

  (i) the reduction or cancellation of all, or a portion, of the Amounts Due;
  (ii) the conversion of all, or a portion, of the Amounts Due on the Securities into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Securities;
  (iii) the cancellation of the Securities; and
  (iv) the amendment or alteration of the provisions of the Securities by which the Securities have no maturity or the amendment of the amount of interest payable on the Securities, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Securities, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority.

No repayment or payment of Amounts Due in respect of the Securities will become due and payable or be paid after the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Securities, will constitute a default for any purpose.

Upon the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Securities, the Issuer will provide a written notice to the holders in accordance with Condition 11 as soon as practicable regarding such exercise of the Statutory Loss Absorption Powers. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 17 shall not affect the validity and enforceability of the Statutory Loss Absorption Powers nor constitute a default by the Issuer for any purpose.

18 Definitions

In these Conditions:

"**5-year Mid-Swap Rate**" means, in relation to a Reset Period and the Mid-Swap Rate Determination Date in respect of such Reset Period:

(a) the mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page as of 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date; or

(b) subject to the application of Condition 3.1(f), if such rate does not appear on the Screen Page at such time on such Mid-Swap Rate Determination Date, the Reset Reference Bank Rate on such Mid-Swap Rate Determination Date.

"**5-year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

(a) has a term of 5 years commencing on the relevant Reset Date;

(b) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and

(c) has a floating leg based on six-month EURIBOR (calculated on an Actual/360 day count basis).

"**Accounting Currency**" means euro or such other primary currency used in the presentation of the Issuer's accounts from time to time.

"**Accrual Period**" has the meaning given in Condition 3.1(e).

"**Additional Amounts**" has the meaning given in Condition 8.

"**Additional Tier 1 Capital**" has the meaning given in the Applicable Banking Regulations from time to time.

"**Additional Tier 1 Capital Instruments**" means all obligations which constitute Additional Tier 1 Capital of the Issuer on a solo or consolidated basis.

"**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:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the 5-year Mid-Swap Rate with the Successor Rate by any Relevant Nominating Body; or

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Reference Rate Determination Agent (if any) 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 5-year Mid-Swap Rate; or

(c) if the Issuer determines that no such spread, formula or methodology is customarily applied, the Issuer, following consultation with the Reference Rate Determination Agent (if any), determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the 5-year Mid-Swap Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable).

"**Agency Agreement**" has the meaning given in the introduction.

"**Agent**" has the meaning given in the introduction.

an "**Alignment Event**" will be deemed to have occurred if, as a result of a change in or amendment to the Applicable Banking Regulations or the interpretation thereof, at any time after the Issue Date the Issuer would be able to issue a capital instrument qualifying as Additional Tier 1 Capital that contains one or more provisions that are, in the reasonable opinion of the Issuer, different in any material respect from those contained in these Conditions, provided that if an event or circumstance which would otherwise constitute an Alignment Event also constitutes a Regulatory Event or an MREL/TLAC Disqualification Event, it will be treated as a Regulatory Event or an MREL/TLAC Disqualification Event, as applicable, and it will not constitute an Alignment Event.

"**Alternative Reference Rate**" means the rate that the Issuer determines has replaced the 5-year Mid-Swap Rate and is customarily applied in 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 euro and of a five year duration 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 5-year Mid-Swap Rate.

"**Amounts Due**" means the Prevailing Principal Amount, together with any accrued but unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) and any additional amounts payable in accordance with Condition 8. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Statutory Loss Absorption Power by the Relevant Resolution Authority.

"**Applicable Banking Regulations**" means, at any time, the laws, regulations, rules, guidelines and policies of the Competent Authority (whether or not having the force of law), of the European Banking Authority, or of the European Parliament and Council then in effect in Belgium, relating to capital adequacy (whether on a risk-weighted, leverage or other basis), prudential supervision (including the requisite features of own funds instruments) and/or resolution, and applicable to the Issuer at such time (and, for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRD IV, BRRD and the rules contained in the Belgian Banking Law).

"**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.

"**Belgian Banking Law**" means the law of 25 April 2014 on the status and supervision of credit institutions.

"**Belgian Civil Code**" has the meaning given in the introduction.

"**Benchmark Event**" means:

(a) the 5-year Mid-Swap Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(b) the making of a public statement by the administrator of the 5-year Mid-Swap Rate stating that it will, by a specified date within the following six months, cease to publish the 5-year Mid-Swap Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the 5-year Mid-Swap Rate); or

(c) the making of a public statement by the supervisor of the administrator of the 5-year Mid-Swap Rate stating that the 5-year Mid-Swap Rate has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or

(d) the making of a public statement by the supervisor or the administrator of the 5-year Mid-Swap Rate that means that the 5-year Mid-Swap Rate will be prohibited from being used either generally or in respect of the Securities or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(e) the making of a public statement by the supervisor of the administrator of the 5-year Mid-Swap Rate that the 5-year Mid-Swap 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

(f) it has become unlawful for the Calculation Agent, any Paying Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any holders using the 5-year Mid-Swap Rate,

provided that the Benchmark Event shall be deemed to occur (A) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the 5-year Mid-Swap Rate or the discontinuation of the 5-year Mid-Swap Rate, as the case may be, (B) in the case of sub-paragraph (d) above, on the date of the prohibition of use of the 5-year Mid-Swap Rate, and (C) in the case of sub-paragraph (e) above, on the date with effect from which the 5-year Mid-Swap 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.

"**BRRD**" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**Business Day**" means a day other than a Saturday or Sunday (i) on which the NBB-SSS is operating, (ii) on which banks and forex markets are open for general business in Belgium and (iii) (if a payment in euro is to be made on that day) which is a business day for T2.

"**Calculation Agent**" means Belfius Bank SA/NV.

"**Capital Requirements Directive**" means Directive (2013/36/EU) of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013 and, as the context permits, any provision of Belgian law transposing or implementing such Directive.

"**Capital Requirements Regulation**" 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 and amending Regulation (EU) No 648/2012.

"**CET1 Capital**" means the sum, expressed in the Accounting Currency, of all amounts that constitute Common Equity Tier 1 capital of the Issuer on a solo or consolidated basis (as applicable) as at a given date, less any deductions from Common Equity Tier 1 capital required to be made as of such date, all as

calculated by the Issuer on a solo or consolidated basis (as applicable) in accordance with the Applicable Banking Regulations (which calculation shall be binding on the holders). The term "Common Equity Tier 1 capital" as used in this definition shall have the meaning assigned to such term in the Applicable Banking Regulations from time to time, and subject always to the transitional and grandfathering arrangements thereunder as interpreted by the Competent Authority.

"**Clearing Services Agreement**" has the meaning given in the introduction.

"**Clearstream Banking Frankfurt**" has the meaning given in Condition 1.

"**Clearstream Banking Luxembourg**" has the meaning given in Condition 1.

"**Code**" has the meaning given in Condition 1.

"**Competent Authority**" means the European Central Bank, the National Bank of Belgium, any successor or replacement to or of either of them, or any other authority having primary responsibility for the prudential and/or resolution oversight and supervision of the Issuer, as determined by the Issuer.

"**Consolidated CET1 Ratio**" means, at any time, the ratio of CET1 Capital of the Issuer to the total risk exposure amount (as referred to in Article 92(2)(a) of the Capital Requirements Regulation) of the Issuer, expressed as a percentage, all as calculated on a consolidated basis within the meaning of the Capital Requirements Regulation.

"**Consolidated Net Profit**" means the net profit of the Issuer as calculated on a consolidated basis and as set out in the last audited annual consolidated accounts of the Issuer adopted by the Issuer's shareholders' meeting (or such other means of communication as determined by the Issuer).

"**CRD IV**" means, taken together, the (i) Capital Requirements Directive and (ii) Capital Requirements Regulation.

"**Discretionary Temporary Write-down Instrument**" means, at any time, any instrument (other than the Securities) issued directly or indirectly by the Issuer which at such time (a) qualifies as Additional Tier 1 Capital of the Issuer on a solo or consolidated basis, (b) has had all or some of its principal amount written-down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the relevant issuer's discretion, upon reporting a net profit.

"**Distributable Items**" has the meaning given in Condition 3.2(b).

"**Eligible Investor**" means a person who is entitled to hold securities through a so-called "X-account" (being an account exempted from withholding tax) in the NBB-SSS in accordance with Article 4 of the Belgian Royal Decree of 26 May 1994 on the collection and refund of withholding tax.

"**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union.

"**Euroclear**" has the meaning given in Condition 1.

"**Euroclear France**" has the meaning given in Condition 1.

"**Euronext Securities Milan**" has the meaning given in Condition 1.

"**Euronext Securities Porto**" has the meaning given in Condition 1.

"**Extraordinary Resolution**" has the meaning given in Schedule 1 (*Provisions on meetings of Securityholders*).

"**FATCA withholding**" has the meaning given in Condition 8.

"**First Reset Date**" means 6 November 2031.

"**Foreign Currency Instruments**" has the meaning given in Condition 7.3.

"**Holder**" or "**holder**" means the holder from time to time of a Security as determined by reference to the records of the relevant clearing systems or financial intermediaries and the affidavits referred to in Condition 1.

"**IA Determination Cut-Off Date**" means no later than five Business Days prior to the Mid-Swap Rate Determination Date relating to the next succeeding Reset Period.

"**Iberclear**" has the meaning given in Condition 1.

"**Initial Period**" means the period from (and including) the Issue Date to (but excluding) the First Reset Date.

"**Initial Rate of Interest**" means 6.125 per cent. *per annum*.

"**Interest Payment**" means, in respect of an Interest Payment Date, the amount of interest which, subject to Conditions 3.2 and 7, is payable for the relevant Interest Period in accordance with Condition 3.

"**Interest Payment Date**" means 6 May and 6 November in each year from (and including) 6 May 2025.

"**Interest Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

"**Issue Date**" means 6 November 2024.

"**Issuer**" has the meaning given in the introduction.

"**Junior Obligations**" means all unsecured, subordinated obligations of the Issuer that rank, or are expressed to rank, junior to the Issuer's obligations under the Securities and all classes of share capital of the Issuer.

"**Loss Absorbing Instruments**" means, at any time, any instrument (other than the Securities) issued directly or indirectly by the Issuer which qualifies as Additional Tier 1 Capital of the Issuer on a solo or consolidated basis and has terms pursuant to which all or some of its principal amount may be written-down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of the Solo CET1 Ratio or the Consolidated CET1 Ratio falling below a certain trigger level.

"**LuxCSD**" has the meaning given in Condition 1.

"**Margin**" means 3.928 per cent.

"**Maximum Distributable Amount**" has the meaning given in Condition 3.2(b).

"**Maximum Write-up Amount**" has the meaning given in Condition 7.2.

"**Mid-Swap Rate**" means, in respect of any Reset Period, the 5-year Mid-Swap Rate determined on the Mid-Swap Rate Determination Date applicable to such Reset Period, as determined by the Calculation Agent.

"**Mid-Swap Rate Determination Date**" means, in respect of the determination of the Mid-Swap Rate applicable during any Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences.

"**MREL**" means the "minimum requirement for own funds and eligible liabilities" for banking institutions under BRRD, as set in accordance with Article 45 of BRRD (as transposed in Article 267/3 of the Belgian Banking Law) and Commission Delegated Regulation (C(2016) 2976) of 23 May 2016, or any successor requirement, and 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**" has the meaning given in Condition 5.5.

"**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-Maximum Distributable Amount**" has the meaning given in Condition 3.2(b).

"**NBB**" has the meaning given in the introduction.

"**NBB-SSS**" has the meaning given in Condition 1.

"**OeKB**" has the meaning given in Condition 1.

"**Original Principal Amount**" means, in respect of a Security at any time the principal amount of such Security at the Issue Date without having regard to any subsequent Principal Write-down or Principal Write-up pursuant to Condition 7.

"**Parity Securities**" means any Additional Tier 1 Capital Instruments issued or guaranteed by the Issuer and any other obligations or instruments of the Issuer that rank, or are expressed to rank, equally with the Securities.

"**Paying Agent**" has the meaning given in the introduction.

"**Prevailing Principal Amount**" means, in respect of a Security at any time, the Original Principal Amount of such Security as reduced by any Principal Write-down of such Security (on one or more occasions) at or prior to such time pursuant to Condition 7 and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Security (on one or more occasions) at or prior to such time pursuant to Condition 7.

"**Principal Write-down**" has the meaning given in Condition 7.1.

"**Principal Write-up**" has the meaning given in Condition 7.2.

"**Principal Write-up Amount**" means, on any Principal Write-up, the amount by which the then Prevailing Principal Amount is to be written-up and which is calculated per Security.

"**Qualifying Securities**" has the meaning given in Condition 6.1.

"**Rate of Interest**" means:

(a) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or

(b) in the case of each Interest Period which commences on or after the First Reset Date, the sum, converted from an annual basis to a semi-annual basis, of (A) the Mid-Swap Rate applicable to the Reset Period in which that Interest Period falls and (B) the Margin,

all as determined by the Calculation Agent in accordance with Condition 3.

"**Reference Rate Determination Agent**" means either (i) an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital

markets, in each case selected and appointed by the Issuer at its own expense, (ii) the Calculation Agent or (iii) any affiliate of the Issuer or the Calculation Agent.

A reference to a "**regulated entity**" is to any entity referred to in Article 267/15 or Article 453 of the Belgian Banking Law or Article 2 of the SRM Regulation, as the case may be, which includes certain credit institutions, investment firms, and certain of their parent or holding companies.

"**Regulated Market**" means a regulated market for the purposes of Directive 2014/65/EU.

"**Regulatory Event**" has the meaning given in Condition 5.4(a).

"**Relevant Nominating Body**" means, in respect of the 5-year Mid-Swap Rate:

(a) the central bank for euro, or any central bank or other supervisory authority which is responsible for supervising the administrator of the 5-year Mid-Swap Rate; or

(b) 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 euro, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the 5-year Mid-Swap Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

"**Relevant Resolution Authority**" means the Single Resolution Board established pursuant to the SRM Regulation and defined therein, the *Afwikkelingscollege*/*Collège de résolution* of the National Bank of Belgium, and/or any other authority entitled to exercise or to participate in the exercise of any 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).

"**Reset Date**" means the First Reset Date and each date which falls five, or an integral multiple of five, years after the First Reset Date.

"**Reset Period**" means each period from (and including) a Reset Date to (but excluding) the next Reset Date.

"**Reset Reference Bank Rate**" means, with respect to a Mid-Swap Rate Determination Date, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating 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 only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the last observable mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page, as determined by the Calculation Agent.

"**Reset Reference Banks**" means six leading swap dealers in the interbank market selected by the Calculation Agent in its discretion after consultation with the Issuer.

"**Return to Financial Health**" has the meaning given in Condition 7.2.

"**Screen Page**" means Reuters screen "ICESWAP2" or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be

nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5-year Mid-Swap Rate.

"**Securities**" has the meaning given in the introduction.

"**Single Resolution Mechanism Regulation**" means Regulation 806/2014 of the European Parliament and the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Bank Resolution Fund and amending Regulation (EU) No 1093/2010 of the European Parliament and the Council.

"**SIX SIS**" has the meaning given in Condition 1.

"**Solo CET1 Ratio**" means, at any time, the ratio of CET1 Capital of the Issuer to the total risk exposure amount (as referred to in Article 92(2)(a) of the Capital Requirements Regulation) of the Issuer, expressed as a percentage, all as calculated on a solo basis within the meaning of the Capital Requirements Regulation.

"**Solo Net Profit**" means the net profit of the Issuer as calculated on a non-consolidated basis and as set out in the last audited annual non-consolidated accounts of the Issuer adopted by the Issuer's shareholders' meeting (or such other means of communication as determined by the Issuer).

"**Special Event**" has the meaning given in Condition 6.1.

"**SRM Regulation**" means Regulation 806/2014 establishing uniform rules and uniform procedures for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and Single Resolution Fund, and the instruments, rules and standards created thereunder.

"**Statutory Loss Absorption Power**" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Belgium, relating to the transposition of the BRRD, including but not limited to the Belgian Banking Law, or pursuant to, and in accordance with, the SRM Regulation, pursuant to which (i) any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period); and (ii) any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised.

"**Successor Rate**" means the rate that the Issuer determines is a successor to, or replacement of, the 5-year Mid-Swap Rate which is formally recommended by any Relevant Nominating Body.

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"**Tax Deductibility Event**" has the meaning given in Condition 5.3(b).

"**Tax Gross-up Event**" has the meaning given in Condition 5.3(a).

"**Tier 1 Capital**" and "**Tier 2 Capital**" have the respective meanings given to such terms (or any successor terms) in the Applicable Banking Regulations from time to time.

"**Tier 2 Capital Instruments**" means all obligations which constitute Tier 2 Capital of the Issuer.

A "**Trigger Event**" will occur if, at any time, either the Solo CET1 Ratio or the Consolidated CET1 Ratio is less than 5.125 per cent. as determined by the Issuer, the Competent Authority or any entity appointed by or acting on behalf of the Competent Authority.

"**Trigger Event Write-down Date**" has the meaning given in Condition 7.1.

"**Trigger Event Write-down Notice**" has the meaning given in Condition 7.1.

"**Write-down Amount**" has the meaning given in Condition 7.1.

"**Written-Down Additional Tier 1 Instrument**" means, at any time, any instrument (including the Securities) issued directly or indirectly by the Issuer and which, immediately prior to the relevant Principal Write-up of the Securities at that time, has a prevailing principal amount that, due to it having been written down, is lower than the original principal amount it was issued with.

Schedule 1
PROVISIONS ON MEETINGS OF SECURITYHOLDERS

Interpretation

1. In this Schedule:

1.1 references to a "**meeting**" are to a physical meeting, a virtual meeting or a hybrid meeting of Securityholders and include, unless the context otherwise requires, any adjournment;

1.2 references to "**Securities**" and "**Securityholders**" are only to the Securities issued by the Issuer and in respect of which a meeting has been, or is to be, called and to the holders of those Securities, respectively;

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

1.4 "**Alternative Clearing System**" means any clearing system other than the NBB-SSS;

1.5 "**Block Voting Instruction**" means a document issued by a Recognised Accountholder or the NBB-SSS in accordance with paragraph 10;

1.6 "**Electronic Consent**" has the meaning set out in paragraph 35;

1.7 "**electronic platform**" means any form of telephony or electronic platform or facility and includes, without limitation, telephone and video conference call and application technology systems;

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

1.9 "**hybrid meeting**" means a combined physical meeting and virtual meeting convened pursuant to this Schedule at which persons may attend either at the physical location specified in the notice of such meeting or via an electronic platform;

1.10 "**meeting**" means a meeting convened pursuant to this Schedule and whether held as a physical meeting or as a virtual meeting or as a hybrid meeting;

1.11 "**NBB-SSS**" means the securities settlement system operated by the NBB or any successor thereto;

1.12 "**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;

1.13 "**physical meeting**" means any meeting attended by persons present in person at the physical location specified in the notice of such meeting;

1.14 "**present**" means physically present in person at a physical meeting or a hybrid meeting or able to participate in or join a virtual meeting or a hybrid meeting held via an electronic platform;

1.15 "**Recognised Accountholder**" means an entity recognised as account holder in accordance with the Belgian Companies and Associations Code with whom a Securityholder holds Securities on a securities account;

1.16 "**virtual meeting**" means any meeting held via an electronic platform;

1.17 "**Voting Certificate**" means a certificate issued by a Recognised Accountholder or the NBB-SSS in accordance with paragraph 9;

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

1.19 where Securities are held in an Alternative Clearing System, references herein to the deposit, release or surrender of Securities shall be construed in accordance with the usual practices (including in relation to the blocking of the relevant account) of such Alternative Clearing System; and

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

General

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

Extraordinary Resolution

3. A meeting shall, subject to the Conditions and (except in the case of sub-paragraph 3.5) only with the consent of the Issuer and, where applicable, the Competent Authority, 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 Securityholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);

3.2 to assent to any modification of the Conditions, this Schedule or the Securities 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 Securityholders or not) as an individual or a committee or committees to represent the Securityholders' interests and to confer on them any powers (including, without limitation, any powers conferred on such representative by the Code) or discretions which the Securityholders 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 Securities in circumstances not provided for in the Conditions or in applicable law; and

3.7 to accept any security interests established in favour of the Securityholders 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 22 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 Conditions, this Schedule or the Securities which would have the effect (other than in accordance with the 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 Securities 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 Securities or the date for any such payment in circumstances not provided for in the Conditions;

(iv) to alter any provision relating to Principal Write-down or Principal Write-up;

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

(vi) to modify the provisions concerning the quorum required at any meeting of Securityholders 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 Securityholders shall have power by Ordinary Resolution:

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

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 Conditions shall always be subject to the consent of the Issuer and, where applicable, the Competent Authority and/or the Relevant Resolution Authority.

5. No amendment to the Conditions, this Schedule or the Securities 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 Securityholders 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 Securityholders holding at least 20 per cent. in principal amount of the Securities for the time being outstanding, provided that the Issuer is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses relating to such meeting. Every physical meeting shall be held at a time and place approved by the Agent. Every virtual meeting shall be held via an electronic platform and at a time approved by the Agent. Every hybrid meeting shall be held at a time and place and via an electronic platform approved by the Agent.

Notice of meeting

7. Convening notices for meetings of Securityholders shall be given to the Securityholders in accordance with Condition 11 (*Notices*) not less than fifteen days prior to the relevant meeting (exclusive of the day on which the notice is given and the day of the meeting). The notice shall specify the day and time of the meeting and manner in which it is held, and if a physical meeting or a hybrid meeting is to be held, the place of the

meeting and the nature of the resolutions to be proposed and shall explain how Securityholders may appoint proxies or representatives, obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable. With respect to a virtual meeting or a hybrid meeting, each such notice shall set out such other and further details as are required under paragraph 37.

Cancellation of meeting

8. A meeting that has been validly convened in accordance with paragraph 6 above may be cancelled by the person who convened such meeting by giving notice to the Securityholders prior to such meeting. Any meeting cancelled in accordance with this paragraph 8 shall be deemed not to have been convened.

Arrangements for voting

9. A Voting Certificate shall:

9.1 be issued by a Recognised Accountholder or the NBB-SSS;

9.2 state that on the date thereof (i) Securities (not being Securities 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 NBB-SSS) held to its order or under its control and (if and only to the extent permitted by the rules and procedures of the NBB-SSS) blocked by it and (ii) that no such Securities will cease to be so held and blocked until the first to occur of:

(i) the conclusion (or cancellation) 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 NBB-SSS who issued the same; and

9.3 further state that until the release of the Securities 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 Securities represented by such certificate.

10. A Block Voting Instruction shall:

10.1 be issued by a Recognised Accountholder or the NBB-SSS;

10.2 certify that Securities (not being Securities 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 NBB-SSS) held to its order or under its control and (if and only to the extent permitted by the rules and procedures of the NBB-SSS) blocked by it and that no such Securities will cease to be so held and blocked until the first to occur of:

(i) the conclusion (or cancellation) 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 NBB-SSS to the Issuer, stating that certain of such Securities cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

10.3 certify that each holder of such Securities has instructed such Recognised Accountholder, the NBB-SSS or other proxy mentioned therein that the vote(s) attributable to the Security or Securities so held and (if and only to the extent permitted by the rules and procedures of the NBB-SSS) 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, cancellation or adjournment thereof;

10.4 state the principal amount of the Securities so held and (if and only to the extent permitted by the rules and procedures of the NBB-SSS) 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

10.5 naming one or more persons (each hereinafter called a "**proxy**") as being authorised and instructed to cast the votes attributable to the Securities so listed in accordance with the instructions referred to in paragraph 10.4 above as set out in such document.

11. If a holder of Securities 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 NBB-SSS) block such Securities 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 Securities so blocked.

12. If the Issuer requires, a certified copy of each Block Voting Instruction shall be produced by the proxy at the meeting or delivered to the Issuer prior to the meeting but the Issuer need not investigate or be concerned with the validity of the proxy's appointment.

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

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

15. Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Securities held to the order or under the control and (if and only to the extent permitted by the rules and procedures of the NBB-SSS) blocked by a Recognised Accountholder or the NBB-SSS and which have been deposited with the Issuer (or any person acting on behalf of 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 Securities 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 Securities to which such Voting Certificate or Block Voting Instruction relates. A vote cast in accordance with a Block Voting Instruction shall be valid even if it or any of the Securityholder's instructions pursuant to which it was executed has previously been revoked or amended, unless written intimation of such revocation or amendment is received from the Agent by the Issuer or the Agent at its specified office (or such other place or delivered by another method as may have been specified by the Issuer for the purpose) or by the chairperson of the meeting in each case at least 24 hours before the time fixed for the meeting.

16. No Security may be deposited with or to the order of the Agent at the same time for the purposes of both paragraph 9 and paragraph 10 for the same meeting.

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

18. A corporation which holds a Security may, by delivering at least 48 hours before the time fixed for a meeting to a bank or other depositary appointed by the Agent for such purposes a certified copy of a resolution of its directors or other governing body or another certificate evidencing due authorisation (with, in each case, if it is not in English, a translation into English), authorise any person to act as its representative (a "**representative**") in connection with that meeting.

Chairperson

19. The chairperson 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 Securityholders or agents present shall choose one of their number to be chairperson, failing which the Issuer may appoint a chairperson. The chairperson need not be a Securityholder or agent. The chairperson of an adjourned meeting need not be the same person as the chairperson of the original meeting. The chairperson may, in its sole discretion, decide to appoint a secretary (but is not obliged to do so).

Attendance

20. The following may attend and speak at a meeting of Securityholders:

20.1 Securityholders and their respective agents and financial and legal advisers;

20.2 the chairperson and the secretary of the meeting;

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

20.4 any other person approved by the Issuer.

No one else may attend, participate or speak.

Quorum and Adjournment

21. No business (except choosing a chairperson) 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 Securityholders, 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 or manner in which it is to be held as the chairperson 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.

22. One or more Securityholders or agents present in person shall be a quorum:

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

22.2 in any other case, only if they represent the proportion of the Securities 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.	No minimum proportion
To pass any other Extraordinary Resolution	A majority	No minimum proportion
To pass an Ordinary Resolution	10 per cent.	No minimum proportion

23. The chairperson may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place and alternate manner. 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 21.

24. At least 10 days' notice (exclusive of the day on which the notice is given and of the day of the adjourned meeting) 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

25. At a meeting which is held only as a physical meeting, 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 chairperson, the Issuer or one or more persons representing not less than 2 per cent. of the Securities.

26. Unless a poll is demanded, a declaration by the chairperson 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.

27. 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 chairperson 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.

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

29. On a show of hands every person who is present in person and who produces a Security or a Voting Certificate or is a proxy or representative has one vote. On a poll every person has one vote in respect of each nominal amount equal to the minimum specified denomination of the Securities 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.

30. In case of equality of votes the chairperson 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.

31. At a virtual meeting or a hybrid meeting, a resolution put to the vote of the meeting shall be decided on a poll in accordance with paragraph 39 and any such poll will be deemed to have been validly demanded at the time fixed for holding the meeting to which it relates.

Effect and Publication of an Extraordinary Resolution and an Ordinary Resolution

32. An Extraordinary Resolution and an Ordinary Resolution shall be binding on all the Securityholders, 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 Securityholders within fifteen days but failure to do so shall not invalidate the resolution.

Minutes

33. Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairperson 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.

Written Resolutions and Electronic Consent

34. If authorised by the Issuer and to the extent Electronic Consent is not being sought in accordance with paragraph 36, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Securityholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Securityholders 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 Securityholders. For the purpose of determining whether a resolution in writing has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the securities settlement system(s) with entitlements to the Securities or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the NBB-SSS, Euroclear, Clearstream or any other relevant alternative securities settlement system (the "**relevant securities settlement system**") and, in the case of (b) above, the relevant securities settlement system and the accountholder identified by the relevant securities settlement system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Securityholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant securities settlement system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of Securities is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

35. Where the terms of the resolution proposed by the Issuer have been notified to the Securityholders through the relevant clearing system(s) as provided in sub-paragraphs 35.1 and/or 35.2 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 Securities 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 Securityholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

35.1 When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 15 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 Securityholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Securityholders 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).

35.2 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, if the party proposing such resolution so determines, be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Securityholders that the resolution will be proposed again on such date and for such period as determined by the Issuer. Such notice must inform Securityholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 35.1 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.

36. 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 Securityholders whether or not they participated in such Written Resolution and/or Electronic Consent.

Additional provisions applicable to virtual and/or hybrid meetings

37. The Issuer (with the Agent's prior approval) may decide to hold a virtual meeting or a hybrid meeting and, in such case, shall provide details of the means for Securityholders or their proxies or representatives to attend, participate in and/or speak at the meeting, including the electronic platform to be used.

38. The Issuer or the chairperson (in each case, with the Agent's prior approval) may make any arrangement and impose any requirement or restriction as is necessary to ensure the identification of those entitled to take part in the virtual meeting or hybrid meeting and the suitability of the electronic platform. All documentation that is required to be passed between persons at or for the purposes of the virtual meeting or persons attending the hybrid meeting via the electronic platform (in each case, in whatever capacity) shall be communicated by email (or such other medium of electronic communication as the Agent may approve).

39. All resolutions put to a virtual meeting or a hybrid meeting shall be voted on by a poll in accordance with paragraphs 27-30 above (inclusive).

40. Persons seeking to attend, participate in, speak at or join a virtual meeting or a hybrid meeting via the electronic platform shall be responsible for ensuring that they have access to the facilities (including, without limitation, IT systems, equipment and connectivity) which are necessary to enable them to do so.

41. In determining whether persons are attending, participating in or joining a virtual meeting or a hybrid meeting via the electronic platform, it is immaterial whether any two or more members attending it are in the same physical location as each other or how they are able to communicate with each other.

42. Two or more persons who are not in the same physical location as each other attend a virtual meeting or a hybrid meeting if their circumstances are such that if they have (or were to have) rights to speak or vote at that meeting they are (or would be) able to exercise them.

43. The chairperson of the meeting reserves the right to take such steps as the chairperson shall determine in its absolute discretion to avoid or minimise disruption at the meeting, which steps may include (without limitation), in the case of a virtual meeting or a hybrid meeting, muting the electronic connection to the meeting of the person causing such disruption for such period of time as the chairperson may determine.

44. The Issuer (with the Agent's prior approval) may make whatever arrangements it considers appropriate to enable those attending a virtual meeting or a hybrid meeting to exercise their rights to speak or vote at it.

45. A person is able to exercise the right to speak at a virtual meeting or a hybrid meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, as contemplated by the relevant provisions of this Schedule.

46. A person is able to exercise the right to vote at a virtual meeting or a hybrid meeting when:

    46.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

    46.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting who are entitled to vote at such meeting.

47. The Agent shall not be responsible or liable to the Issuer or any other person for the security of the electronic platform used for any virtual meeting or hybrid meeting or for accessibility or connectivity or the lack of accessibility or connectivity to any virtual meeting or hybrid meeting.

CLEARING

The Securities are in dematerialised form in accordance with the Belgian Companies and Associations Code. The Securities will be represented by a book entry in the records of the NBB-SSS. Access to the NBB-SSS is available through those of the participants in the NBB-SSS whose membership extends to securities such as the Securities. Participants in the NBB-SSS include Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD. Accordingly, the Securities will be eligible to clear through, and therefore be accepted by, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD or other NBB-SSS participants, and investors can hold their interests in the Securities within securities accounts in Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD. The Securities are transferred by account transfer.

Payment of principal and interest in respect of the Securities will be made in accordance with the applicable rules and procedures of the NBB-SSS, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB, LuxCSD and any other NBB-SSS participant holding interest in the Securities, and any payment made by the Issuer to the NBB-SSS will constitute good discharge for the Issuer. Upon receipt of any payment in respect of the Securities, the NBB-SSS, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB, LuxCSD and any other NBB-SSS participant shall immediately credit the accounts of the relevant account holders with the payment.

Holders are entitled to exercise the rights they have, including but not limited to exercising 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, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB, LuxCSD or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Securities (or the position held by the financial institution through which their Securities are held with the NBB, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB, LuxCSD or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

Each person who is from time to time shown in the records of a participant, sub-participant or the NBB as operator of the NBB-SSS as the holder of a particular amount of Securities shall be treated as the holder of those Securities and any certificate or other document issued by any participant or the NBB shall be conclusive and binding.

USE OF PROCEEDS

The net proceeds of the issue of the Securities will be used by the Issuer for its general corporate purposes, among other things for the refinancing of existing financial indebtedness (including the EUR 500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities (ISIN: BE0002582600 / Common Code: 176404680) in respect of which the Issuer has launched a cash tender offer concurrently with the issue of the Securities).

DESCRIPTION OF THE ISSUER

1 Belfius Bank profile

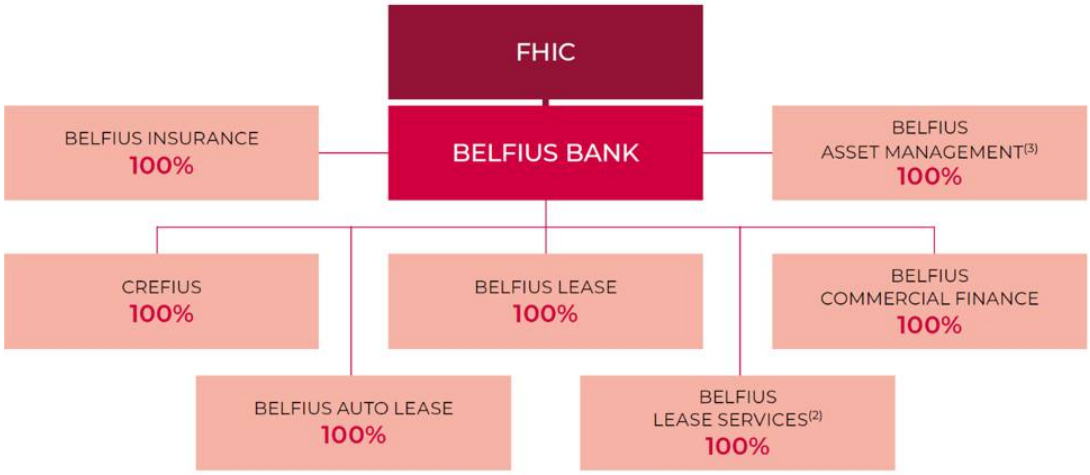
Belfius Bank SA/NV (the "**Issuer**" or "**Belfius Bank**") is a limited liability company (*naamloze vennootschap/ société anonyme*) established on 23 October 1962 for an unlimited duration and incorporated under Belgian law which collects savings from the public. The Issuer is licensed as a credit 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 and website https://www.belfius.be [1]. 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 30 June 2024 was EUR 3,458,066,227.41 and is represented by 359,412,616 registered shares. The shareholding of Belfius Bank is as follows: 359,407,616 registered shares are held by the public limited company of public interest Federal Holding and Investment Company ("**FHIC**"), in its own name but on behalf of the Belgian State, and 5,000 registered shares are held by the public limited company Certi-Fed. Certi-Fed is a fully-owned subsidiary of FHIC. Belfius Bank shares are not listed.

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

With an essentially Belgian balance sheet for its commercial activities and customers from all segments, Belfius Bank is in a position to act as a universal bank for twelve years now and to be "meaningful and inspiring for Belgian society". Belfius Bank is committed to maximal customer satisfaction and added social value by offering products and providing services with added value through a modern distribution model. Thanks to a prudent investment policy and a carefully managed risk profile, Belfius Bank aspires to a sound financial profile that results in a solid liquidity and solvency position.

2 Simplified group structure as at the date of this Prospectus(1)



(1) For more details, see the list of subsidiaries in the consolidated financial statements in the 2023 annual report.
(2) Belfius Lease Services operates under the same brand (logo) as Belfius Lease.
(3) Following the strategic partnership with Candriam, one share of Belfius Asset Management is held by Candriam.

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

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

3 Main commercial subsidiaries

The entities mentioned below are subsidiaries[2] of the Issuer.

Belfius Insurance

Insurance company marketing life and non-life insurance products, savings products and investments for individuals, the self-employed, liberal professions, companies and the public and social sector. At the end of 2023, total consolidated balance sheet of Belfius Insurance amounted to EUR 19 billion.

Crefius

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

Belfius Auto Lease

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

Belfius Lease

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

Belfius Lease Services

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

Belfius Commercial Finance

Company for financing commercial loans to debtors, debtor in-solvency risk cover and debt recovery from debtors (factoring). At the end of 2023, total balance sheet of Belfius Commercial Finance amounted to EUR 1,414 million.

Belfius Asset Management

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

4 Financial results[3]

4.1 Results 2023

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

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

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[2] Total IFRS balance sheet before consolidated income.

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

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

Insurance Service Expenses adjusted[4] for directly attributable costs for insurance contracts and reinsurance amounted to EUR -708 million in 2023 compared to EUR -787 million in 2022. This improvement was mainly driven by Non-Life, thanks to the recalibration of the confidence interval to 77.5% and to the lower level of natural catastrophes' claims in 2023 while 2022 was impacted by the February 2022 storms, as well as to the impact of reduced inflation assumptions on Best Estimate calculation.

Belfius continued to develop its strong footprint in operational, commercial and financial terms, by investing in human talent and digital capital. The year 2023 has been marked by further investments in technology as well as in human capital. Costs[5] went up by +7% at EUR 1,740 million in 2023 compared to EUR 1,620 million in 2022 due to inflationary pressures and these growth investments. However, thanks to the solid income evolution year-on-year, Belfius' C/I ratio[6] further improved at 43% in 2023 compared to 44% in 2022.

All in all, the combination of strong income dynamics and improved insurance service expenses adjusted, despite growing operating expenses as well as continuing investments in commercial activities, ESG, IT and digitalisation, led to an increase in pre-provision income[7] by +23%, to EUR 1,603 million in 2023 (compared to EUR 1,305 million in 2022).

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

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

[5] Including directly attributable costs for insurance contracts.

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

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

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

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

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

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

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

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

The tax expenses amounted to EUR 376 million in 2023 compared to EUR 264 million in 2022, showing an effective tax rate in line with the statutory tax rate (25%). The higher IFRS taxes in 2023 are mainly the result of a higher consolidated result before tax than in 2022 and the limitation of the NTK[8] deductibility to 20% since the start of the year (compared to 100% the previous years).

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

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

- the CET 1[9] ratio stood at 16.0%, down 49 bps compared to the CET 1 ratio as of December 2022. This decrease over 2023 is mainly the result of higher regulatory risk exposures (EUR +5.4 billion to EUR 69.5 billion), partially compensated by higher CET 1 capital (EUR +539 million);
- this strong and solid CET 1 level is net of a 40% dividend pay-out ratio, hence a 2023 dividend of EUR 440.3 million[10], thanks to which Belfius continued to support its commercial franchise development. Hence, the total cumulative amount of dividends since Belfius' origins back in 2011 amounts to EUR 2.5 billion;
- the total capital ratio stood at 19.14% compared to 19.76% at the end of 2022;
- the leverage ratio increased to 6.5% compared to 6.2% at the end of December 2022. The increase is the result of the higher regulatory Tier 1 capital, and a lower leverage exposure;

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[8] Belgian tax on credit institutions.

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

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

- insurance activities also displayed continued solid solvency metrics, with a Solvency II ratio of 195% end of December 2023;
- at the end of December 2023, Belfius continued to show an excellent liquidity and funding profile with a Liquidity Coverage Ratio ("**LCR**") of 139% and a Net Stable Funding Ratio ("**NSFR**") of 128%;
- total shareholders' equity (Net Asset Value) further improved to EUR 11.7 billion at the end of December 2023 (compared to EUR 10.9 billion at the end of 2022), as a result of strong financial results and favourable financial markets.

4.2 Results for the first half of 2024

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

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

- decrease of the net interest income bank by -4% (EUR 1,005 million in the first half of 2024 compared to EUR 1,050 million in the first half of 2023) in higher interest rate environment, although benefitting from a positive reinvestment rate effect, due to (i) reduced interest income on lowering non maturing deposits, (ii) margin pressure on loans in a very competitive Belgian loan market and (iii) absence of remuneration on the mandatory liquidity reserve held at National Bank of Belgium;
- increasing net fee and commission income bank from EUR 378 million in the first half of 2023 to EUR 391 million in the first half of 2024, mainly thanks to (i) increasing Asset Management service fees following strong market effect and positive organic growth, (ii) increasing Asset Management entry fees, resulting from higher production in mutual funds, as well as (iii) continuously growing fees from Non-Life insurance activities through the banking and independent DVV agents' networks;
- growing insurance pre-provision income contribution, thanks to higher financial income and higher insurance revenue leading to increasing Life insurance income (EUR 259 million in the first half of 2024 compared to EUR 211 million in the first half of 2023) and to growing Non-life & Health insurance income (EUR 449 million in the first half of 2024 compared to EUR 409 million in the first half of 2023), in line with sound portfolio growth;
- other income at EUR -129 million in the first half of 2024 compared to EUR -177 million in the first half of 2023, mainly stemming from lower bank levies in the first half of 2024 (from EUR -280 million in the first half of 2023 to EUR -218 million in the first half of 2024).

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

Belfius continued to develop its strong footprint in operational, commercial and financial terms, by investing in human talent and digital capital. The first six months of 2024 have been marked by further investments in technology as well as in human capital. Costs went up by +3% reaching EUR 871 million

in the first half of 2024 compared to EUR 843 million in the first half of 2023 due to these growth investments. However, thanks to the solid income evolution year on year, Belfius' C/I ratio remained stable at 42% (with linear levies) in the first half of 2024.

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

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

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

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

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

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

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

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

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

- the CET 1 ratio stood at 15.72%, down 23 bps compared to the CET 1 ratio as of 31 December 2023. This decrease of 23 bps over the first six months of 2024 is mainly the result of higher RWA (-41 bps), mostly because of required anticipative application of changes in non-retail models and commercial growth, partially offset by an increase in prudential CET capital (+18 bps);
- the total capital ratio stood at 19.43% compared to 19.14% at the end of December 2023;
- the leverage ratio remained at 6.5%, stable compared to the end of December 2023;

- insurance activities also displayed continued solid solvency metrics, with a Solvency II ratio of 197% end of June 2024 (in line with the level of 195% at the end of December 2023);
- at the end of June 2024, Belfius continued to show an excellent liquidity and funding profile with a LCR of 136% and a NSFR of 130%;
- total shareholders' equity (Net Asset Value) slightly decreased to EUR 11.6 billion end June 2024 (compared to EUR 11.7 billion end December 2023), the negative impact of the dividend over the result for financial year 2023 has been partly offset by strong financial results.

4.3 Minimum CET 1 requirements (SREP)

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

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

Minimum CET 1 ratio Requirement

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

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

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

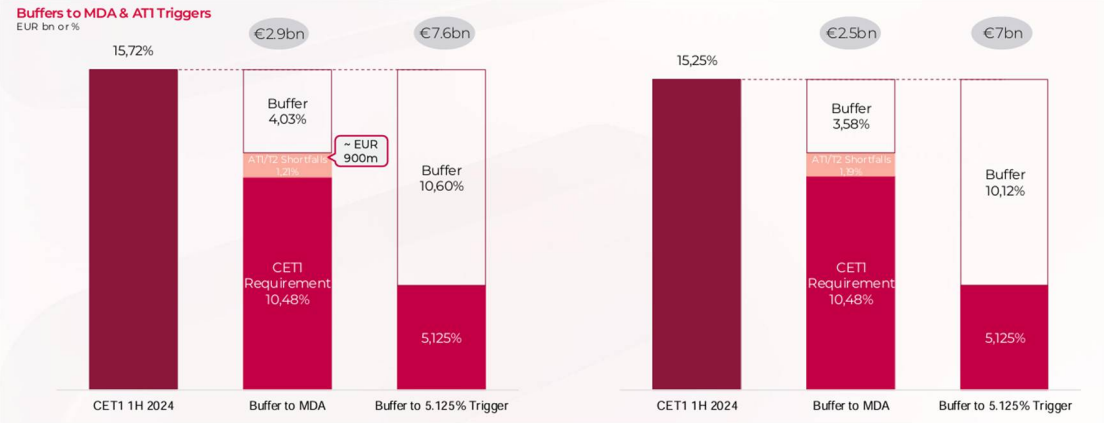
The Pillar 2 Guidance (P2G) is set at 1% on the CET 1 ratio. As a result, Belfius has to comply with a minimum CET 1 ratio of 11.481% for the first half of 2024 (to compare with 10.849% in 2023).

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

The consolidated CET 1 ratio of Belfius at the end of June 2024 stood at 15.72% (compared to 15.95% end of year 2023), well above the 2024 applicable CET 1 capital requirement of 10.481%. The statutory CET1 of Belfius Bank at the end of June 2024 stood at 15.25% (compared to 14.87% end of year 2023), mainly due to the inclusion of reserved result of 2023.

The table below shows the level of the consolidated and statutory CET1 ratio of Belfius as at 30 June 2024, comparing it to the MDA and the trigger level of a Trigger Event:

Consolidated level: **Statutory level:**



As at 30 June 2024, the Issuer's available Distributable Items (on statutory level) were approximately EUR 5.7 billion.

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

4.4 Segment reporting[11]

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

- Individuals (IND), managing the commercial relationships with individual customers both at bank and insurance level. Within the Individuals segment, four subsegments are distinguished: Savers, Investors, Private and Wealth;
- Entrepreneurs, Enterprises and Public (E&E&P), managing the commercial relationships with public and social sector, business and corporate clients both at bank and insurance level;

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

- Group Center (GC), containing the residual results not allocated to the two commercial segments. This mainly consists of results from central ALM (interest rate and liquidity) and Bond and Derivative portfolio management.

4.4.1 Individuals' (IND) activities and result in the first half of 2024

Business description

Belfius Bank offers individuals a comprehensive range of retail, private banking, wealth management and insurance products and services. Belfius Bank serves its 3.4 million customers through its integrated omni-channel distribution network, which includes 461 branches, digital channels, its modern interaction platform Belfius Connect and a large number of automatised self-banking machines. Through executing its digital strategy, Belfius Bank became a leader in mobile banking with over 2 million active mobile users.

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

Individuals results in the first half of 2024

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

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

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

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

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

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

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

The mortgage loan intentional cross-sell ratio for credit balance insurance increased to reach 137% in the first half of 2024 compared to 136% in the first half of 2023. The intentional mortgage loan cross-sell ratio for property insurance increased to 89% (compared to 88% in the first half of 2023).

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

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

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

Business description

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

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

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

Belfius provides these clients with a wide and integrated range of products and services, including credit lending, treasury management, insurance products, financial markets products and financial IT tools.

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

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

As of 30 June 2024, total savings and investments amounted to EUR 62.9 billion, down by -3.3% (or EUR -2.1 billion) compared to end 2023, explained by the negative organic growth of EUR -2.3 billion and the slightly positive market effect of EUR 0.2 billion. Non maturing deposits (savings and payment accounts) decreased by EUR -2.9 billion to EUR 30.4 billion, explained by the product mix switch to maturing deposits. Asset Management Services and Equity

investments increased by EUR +0.3 billion (or +3.3%) to EUR 10.8 billion, mainly explained by the positive market effect and to a lesser extent by the organic growth. Other Savings and Investments increased by EUR +0.2 billion to EUR 9.2 billion, mainly explained by the increase in Commercial Paper.

Total outstanding loans increased to EUR 64.3 billion (or +1.4%). Outstanding loans to Business customers reached EUR 15.5 billion, slightly decreasing by EUR -0.1 billion (or -0.4%). Outstanding loans to Corporate customers amounted to EUR 25.2 billion, a strong increase by EUR +1.1 billion (or +4.5%), mainly explained by the strong growth in roll-over loans. In Public & Social Banking, the outstanding loans reached EUR 23.6 billion, a slight decrease (-0.5%) compared to end 2023.

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

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

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

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

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

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

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

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

4.4.3 Group Center (GC)'s activities and result in the first half of 2024

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

- Run-off portfolios, inherited from the Dexia era, which mainly comprise:

(i) a portfolio of bonds issued by international issuers, particularly active in the public and regulated utilities sector (which includes UK inflation-linked bonds) and ABS/RMBS, the so-called ALM Yield bond portfolio;

(ii) a portfolio of credit guarantees, comprising credit default swaps and financial guarantees written on underlying bonds issued by international issuers, and partially hedged by Belfius with monoline insurers (mostly Assured Guaranty); and

(iii) a portfolio of interest rate derivatives with Dexia entities as counterparty and with other foreign counterparties;

- ALM liquidity and rate management and other Group Center activities, composed of liquidity and rate management of Belfius (including its ALM Liquidity bond portfolio, derivatives used for ALM management and the management of central assets) and other activities not allocated to commercial activities, such as financial market support services (e.g. Treasury), the management of two former specific loan files inherited from the Dexia era (loans to Gemeentelijke Holding/Holding Communal and Arco entities), and the Group Center of Belfius Insurance.

These portfolios and activities are further described below[12] [13].

(a) Bond Portfolio

ALM Liquidity bond portfolio

The ALM Liquidity bond portfolio is part of Belfius Bank's total LCR liquidity buffer and is well diversified with high credit and liquidity quality.

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

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

ALM Yield bond portfolio

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

At the end of the first half of 2024, the ALM Yield bond portfolio stood at EUR 2.9 billion, down by -2.1%, compared with December 2023, and was composed of corporates (80%), sovereign and public sector (11%), asset-backed securities (6%), and financial institutions (4%). Most corporate bonds, composed mainly of long-term inflation-linked bonds, are issued by highly regulated UK hospitals, infrastructure companies and utilities, such as water and gas distribution companies. Most of these bonds are of investment grade credit quality and the majority of these bonds are covered by credit protection from a credit insurer (monoline insurer) that is independent from the bond issuer. Continued pressure in the UK Water sector has resulted in the shift of an important counterparty to the non-investment grade range in the first half of 2024.

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[12] Nominal amount.

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

At the end of the first half of 2024, the ALM Yield bond portfolio had an average life of 21.5 years. The average rating of the ALM Yield bond portfolio stood at BBB+[14], down from A- at year-end 2023. 92% of the portfolio was investment grade.

(b) Derivatives portfolio

Derivatives with Dexia entities and foreign counterparties

During the period it was part of the Dexia Group, the former Dexia Bank Belgium (now Belfius Bank) was Dexia Group's competence centre for derivatives (mainly interest rate swaps). This meant that all Dexia entities were able to cover their market risks with derivatives with Dexia Bank Belgium, mainly under standard contractual terms related to cash collateral. The former Dexia Bank Belgium systematically re-hedged these derivative positions externally, as a result of which these derivatives broadly appear twice in Belfius' accounts: once in relation to Dexia entities and once for hedging.

The total outstanding notional amount of derivatives with Dexia entities and interest rate derivatives with international counterparties amounted to EUR 6.6 billion at the end of the first half of 2024, down by EUR -0.4 billion or -6%, compared with EUR 7.0 billion at the end of December 2023.

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

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

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

Credit guarantees

At the end of the first half of 2024, the credit guarantees portfolio amounted to EUR 1.9 billion, increasing by +0.03 billion compared to December 2023. It relates essentially to Financial Guarantees (booked in Amortised Cost), and Credit Default Swaps (booked in Fair Value Through P&L) issued on corporate (94%), public issuer bonds (3%) and ABS (3%). The good credit quality of the underlying reference bond portfolio, additional protection against credit risk incorporated in the bond itself and the protections purchased by Belfius, mainly from various monoline insurers, resulted in a portfolio that is 97% investment grade in terms of credit risk profile.

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

(c) Other Group Center activities

Other activities allocated to Group Center include:

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

- the interest rate and liquidity transformation activity performed within ALM, after internal transfer pricing with commercial business lines, including the use of derivatives for global ALM management;
- the management of two legacy loan files inherited from the Dexia era, i.e., the investment loans to two groups in liquidation, namely Gemeentelijke Holding/Holding Communal and some Arco entities;
- the flow management, including hedge management, of internal and external interest rate derivative flows given that Group Center is the Belfius Competence Centre for interest rate derivatives;
- treasury activities (money market activities); and
- the results including revenue and costs on assets and liabilities not allocated to a specific business line.

The Group Center of Belfius Insurance is also fully allocated to these other Group Center activities. The Belfius Insurance Group Center contains income from assets not allocated to a specific business line, the cost of Belfius Insurance's subordinated debt, the results of certain of its subsidiaries and costs that are not allocated to a specific business line.

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

4.5 Post-balance sheet events

Thames water

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

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

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

Following the publication of Ofwat, both Moody's and S&P have downgraded Thames Water class A debt rating to Ba1 and BB, respectively. As part of Ofwat's license conditions, Thames Water needs to maintain two investment-grade ratings. According to a statement on the credit rating agency's website,

S&P noted that "... Ofwat has publicly stated that this [rating downgrade below investment grade] would not lead to an automatic revocation of Thames Water's license".

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

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

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

Acquisition Ajusto by Jaimy

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

4.6 Risk Management

4.6.1 Fundamentals of credit risk in the first half of 2024

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

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

With respect to the public sector, the level of financings deficits and the debt remain a concern for Belgium. Although the outcome of the elections in June (Federal & Regional) does not seem to lead to the political impasse that was feared, it remains a question to what extent the

governments at the different levels will be able to put in place the budgetary discipline, that is required by Europe.

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

Against this ambiguous background, credit risk management has been challenging in the first half of 2024, in particular in finding the right balance between confidence in the robustness of the past achievements and the questioning about the forward-looking approach to factor in potential risk evolutions. On the one hand, the credit quality across the Belfius loan portfolios remains strong, and the level of anticipative provisioning that was done in the past, is judged to provide adequate protection against downturn evolutions. On the other hand, the uncertainty about the duration and severity of the downturn elements that were recently observed, calls for vigilance and a thorough reflection about credit policies and provisioning strategies.

Individuals

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

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

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

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

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

Entrepreneurs & Enterprises (E&E)

General economic conditions have still been challenging in the first half of 2024 but activity growth has remained broadly stable at a low level. Within a context of continuing uncertainty and

inflation not resuming its downward trend, most economic indicators have been bottoming out since end of 2023.

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

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

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

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

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

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

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

In the commercial real estate segment, the exposure growth has stopped as demand and investment appetite was strongly reduced due to the uncertainty of the interest rate evolution. The deep dive analysis on the portfolio, performed at the end of 2023, confirmed the fundamental credit quality of the Belfius commercial real estate portfolio. The key risk indicators, that are monitored on a permanent basis, continue to demonstrate the solid character of the portfolio, although certain evolutions call for a close watch. The upward pressure on the non-performing loans reflects the risk concentrations on certain large developers in the portfolio and a more

general understream of defaults in the segment of small real estate and construction companies. Belfius has taken both specific and anticipative general provisions to cover for adverse risk evolutions in commercial real estate and it is quarterly assessing the adequacy of these provisions. To manage our risks during the current cooldown of the market, a number of measures have been taken, which include increased scrutiny on and update of the commercial real estate acceptance guidance and credit delegations combined with an intensive awareness campaign for credit analysts and bankers. From a portfolio perspective, shorter term loans with a project or refinancing risk are monitored more closely targeting an early detection of cash flow issues.

Public & Social Banking

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

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

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

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

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

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

As the 2024 edition of the annual Belfius local finance study has shown, Belgian municipalities are still dealing with high personnel costs, including pension contributions. Although energy costs have stabilised since the energy crisis of 2022, they remain high compared to pre-2022 level. Additionally, contributions to CPAS (Public Centres for Social Welfare), police zones and emergency zones (*hulpzones*) have increased from 2019-2024. Overall, however, municipal debt remains manageable and municipalities continue to maintain a fiscal balance. It should be noted that considerable support measures (in the form of loans on beneficial terms) made possible by the Walloon region (through the CRAC - Centre Régional d'Aide aux Communes) under the 2022-2026 "Oxygène" plan have helped the Walloon municipalities.

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

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

Insurance

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

4.6.2 Exposure to credit risk

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

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

The definition of Full Exposure at Default "FEAD" is determined as follows:

- for balance sheet assets (except for derivatives): the gross carrying amounts (before credit risk adjustments);
- for derivatives: the exposure at default calculated under the standardised approach for counterparty credit risk (SA-CCR);
- for Securities Financing Transactions: the carrying amount as well as the excess collateral provided for repurchase agreements;
- for off-balance sheet commitments: either the undrawn part of credit facilities or the maximum commitment of Belfius for guarantees granted to third parties.

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

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

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

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

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

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

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

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

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

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

Belfius' positions are mainly concentrated in the European Union: 95% or EUR 184.1 billion at bank level and 94% or EUR 14.1 billion for Belfius Insurance. The total relative credit risk exposure on counterparties situated in Belgium is 85.8% as of 30 June 2024 with the slight decline

from 86.1% at the end of 2023. Furthermore, total relative credit risk exposure on counterparties situated in France is 3.6%, 2.3% in the United Kingdom, 1.3% in the United States and Canada, 1.3% in Luxemburg, 0.8% in Spain, 0.9% in Germany and 0.6% in Italy.

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

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

4.6.3 Cost of risk in the first half of 2024

(a) IFRS 9 impairment methodology at Belfius

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

- Belfius Bank and its subsidiaries recognise loss allowances for ECL on financial instruments at amortised cost or at fair value through Other Comprehensive Income (OCI);
- ECL are measured through a loss allowance that depends on the financial instrument's status:
    - for performing exposures (i.e. instruments that have not incurred a significant increase in credit risk since origination), referred to as stage 1, a 12-month ECL is calculated;
    - for underperforming exposures (i.e. instruments that have incurred a significant increase in credit risk since origination), referred to as stage 2, Lifetime ECL are calculated;
    - non-performing exposures (i.e. exposures that become credit-impaired), are classified in stage 3 and the ECL reflect the remaining exposure after a best-estimate of future recoveries;
- ECL are probability-weighted estimates of credit losses. This is expressed as the present value of cash shortfalls i.e. the difference between the cash flows that are due to the entity in accordance with the contract and the cash flows that the entity expects to receive. ECL calculations use probability of default (PD) and loss given default (LGD) parameters. Point-in-time PDs are used that inter alia incorporate forward-looking macroeconomic information through the use of four different macroeconomic scenarios. These scenarios are built upon internal information delivered by the Belfius Research department, who uses external and internal information to generate a forecast "neutral" scenario of relevant economic variables along with a representative range of other possible forecast scenarios. The external information includes economic data and forecasts published by governmental bodies and monetary authorities.
- Belfius assigns probabilities to the four forecast scenarios (neutral, optimistic, pessimistic and stress) and makes the link between macroeconomic variables and credit risk and credit losses through identified and documented relationships between key drivers of credit risk and credit losses for each portfolio of financial instruments on the one hand and statistical analysis of historical data on the other hand;
- Given that ECL estimations are complex and to a certain extent judgmental, the aforementioned mechanical approach is completed by management judgment through

"management call" layers as authorised by the IFRS 9 accounting references. These layers can be positive or negative and aim to include any elements entering in the ECL calculation which have not been taken into account by the mechanical computation on an individual level or a (sub)portfolio level. Since the first-time adoption of IFRS 9, Belfius has applied ECL overlays for certain risk pockets (as for commercial real estate, for high LTV mortgage loans). In 2023, an overlay for ESG risks was initiated on both mortgage and E&E exposures. The housing stock energy efficiency-performance and -objectives could negatively affect the value of the residential mortgages in the mortgage portfolio; to capture this potential impact, an ECL layer was developed for higher LTV mortgages with properties in collateral, with a low energy efficiency (KWH/m²year of 400 or more). In the E&E portfolio, counterparts face a far-reaching transition in order to comply with (new) environmental regulations, prevent social issues affecting brand reputation or deal with governance failures that could lead to legal and/or financial consequences. To manage these risks and ensure long-term viability, investments have to be made. Based on the Climate Policy Relevant Sectors (CPRS) classification, an ECL overlay is applied on the sectors that proved to be most vulnerable within the Belfius portfolio (Belfius CERMA, 2023).

(b) Adjustments to the impairment methodology as from 2020

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

Macroeconomic factors

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

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

The overlay approach

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

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

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

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

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

Ex-ante provisioning for macroeconomic uncertainties and vulnerable exposures

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

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

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

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

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

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

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

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

Macroeconomic factors used in the first half of 2024 ECL calculations

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

- the macroeconomic factor calculation is based on 2024-2026 data;

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

The macroeconomic forecasts are moderately improving compared to end 2023. Expected GDP growth for Belgium remains rather stable, whereas the previsions for the Eurozone and the US were revised upwards slightly and significantly, respectively. The inflationary relief that was observed, is reflected in the 2024 CPI data, and for 2025-2026 the expected return to a normalised level is confirmed. The evolutions of the labour market are reflected in a moderate decrease of the unemployment figures, still at a low level, both for Belgium and for Europe.

Macroeconomic scenarios GDP (% YoY)

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

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

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

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

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

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

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

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

The overlay approach

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

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

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

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

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

Stage 3 provisions for files in default

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

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

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

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

4.6.4 Asset quality – Asset quality ratio

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

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

4.6.5 Market risk

(a) Overview

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

The management of market risk within Belfius is focused on all Financial Markets activities of the Issuer and encompasses interest rate risk, spread risk and associated credit risk/liquidity risk, foreign-exchange risk, equity risk (or price risk), inflation risk and commodity price risk.

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

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

Existing hedges on Credit Value Adjustment (CVA)[15]/Funding Value Adjustment (FVA), in place since the first half of 2020, perform well, keeping the P&L volatility to a minimum. Credit spread macro hedges have been adapted to better align with the existing clusters of exposure. Consequently, only a limited number of non-hedgeable risks remain, the most relevant one being the Belfius' own funding spread.

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

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

(b) Structural & ALM risk

Interest rate risk of the banking activities

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

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

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

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

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

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

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

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

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

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

Interest rate risk of the insurance activities

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

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

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

(c) Trading market risk

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

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

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

4.6.6 Liquidity risk

(a) Liquidity risk at Belfius Bank

Liquidity management framework

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

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

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

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

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

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

Exposure to liquidity risk

The liquidity risk at Belfius Bank is mainly stemming from:

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

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

Consolidation of the liquidity profile

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

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

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

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

The Net Stable Funding Ratio (NSFR), based on the binding CRR 2 rules and calculated according to EBA templates, stood at 130% at the end of June 2024, an increase compared to end

of December 2023 (128%) also explained by the repayment of the TLTRO, the continued growth in commercial loans, the increased Wholesale funding, and the improved net collateral position.

Funding diversification at Belfius Bank

The total funding of Belfius Bank amounted to EUR 142.6 billion as at 30 June 2024, compared to EUR 141.1 billion as at end December 2023. Belfius Bank has a funding profile that consists of mainly commercial funding (82%), senior wholesale funding (5%), secured funding (7%), net unsecured ST interbank funding (4%), and subordinated debt (2%).

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

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

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

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

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

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

Liquidity reserves

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

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

Encumbered assets

Encumbered assets represent the on- and off-balance sheet assets that are pledged or used as collateral for Belfius' liabilities. Belfius has encumbered a part of its loan portfolio for issuing

covered bonds and residential mortgage-backed securities (RMBS). Furthermore, assets are encumbered for repurchase agreements and collateral swaps. Part of Belfius' encumbrance results from collateral posted to secure derivatives transactions.

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

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

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

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

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

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

(b) Liquidity risk at Belfius Insurance

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

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

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

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

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

4.6.7 Minimum requirement for own funds and eligible liabilities

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

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

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

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

4.6.8 Operational risk – Non-Financial Risk (NFR)

(a) Non-Financial Risk Management Framework

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

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

The framework is based on the following pillars:

- a risk taxonomy and a risk mapping in order to ensure consistency within the organisation, including a regular review of this mapping and taxonomy to identify emerging risks;
- clear roles and responsibilities, as well as a well-defined way of working together for all the risks based on the three LoD (3 LoD) model (decentralised responsibility);
- a strong governance/committee structure involving the appropriate level of management;
- a Risk Appetite Framework (RAF) definition and monitoring;
- transversal risk processes and dedicated risk management frameworks, which are structured into the following main domains: Change Risk Management, Integrated Risk

Management, Risk Culture & Governance, Operational Resilience, Information Security and Data Privacy.

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

(b) Transversal risk processes

(I) NFR domain – Change Risk Management

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

New Product Approval Process

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

Project Risk Management

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

(II) NFR domain – Integrated Risk Management

Incident Management

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

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

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

Self-Assessment of Risks and Internal Controls

Another important task of risk management is the analysis of the overall main potential risks and related key controls, performed within Belfius Group's main entities. This is

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

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

Fraud risk management and 2nd LoD Branch Audit

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

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

Managing insurance policies

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

Outsourcing risk

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

Permanent control

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

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

(III) NFR domain – Risk culture and Governance

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

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

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

(IV) NFR domain – Operational Resilience

Business continuity and crisis management

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

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

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

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

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

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

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

(V) Information Security Management

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

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

4.6.9 Data Privacy Management

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

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

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

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

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

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

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

4.6.10 ESG risk[16]

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

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

[16] Unaudited.

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

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

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

(a) Risk identification and assessment

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

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

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

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

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

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

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

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

(b) Quantification, Metrics and Monitoring

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

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

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

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

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

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

4.7 Ratings

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

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

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

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

(*) Intrinsic creditworthiness

Each of Fitch, Moody's and Standard and Poor's is established in the European Union and is registered under Regulation (EU) No 1060/2009, as amended. Each of Fitch, Moody's and Standard and Poor's is displayed on the latest update of the list of registered credit rating agencies on the ESMA website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

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

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

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

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

4.8 Other information

4.8.1 Dependency of the Issuer

The Issuer is not dependent on any of its subsidiaries, save for Belfius Insurance SA/NV. Belfius Insurance SA/NV holds the licenses required for insurance undertakings, and Belfius Bank consequently relies on it for the insurance activities carried out by it.

4.8.2 Arrangements resulting in a change of control

As at the date of this 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.

4.8.3 Recent events

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

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

4.9 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[17]. Their description does not deal with elements or evolutions that do not have an impact on the position of Belfius. If the cases listed below were to be successful for the opposite parties, they could eventually result in monetary consequences for Belfius. For litigations for which no provision has been made, such impact remains unquantifiable at this stage.

4.9.1 Arco – Cooperative shareholders

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

- a procedure before the Dutch speaking Commercial Court of Brussels (Procedure C.C. Deminor);

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

- a procedure before the Court of First Instance of Brussels (Procedure C.F.I. ArcoClaim 2018);
- a procedure before the Court of First Instance of Brussels (Procedure C.F.I. Deminor 2022).

(a) Procedure C.C. Deminor

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

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

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

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

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

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

On 7 February 2018, two Arco shareholders summoned the Belgian State before the Court of First Instance of Brussels because they state that the Belgian State has made a fault by promising and introducing a guarantee scheme for shareholders of financial cooperative companies (like the Arco shareholders) which has been considered illicit state aid by the European Commission.

These two plaintiffs also summoned Belfius Bank on 8 February 2018 to intervene in this procedure and claim compensation from Belfius Bank because they consider that Belfius Bank erred in the sale of the Arco shares. Groups of Arco shareholders organised themselves via social media to mobilise other Arco shareholders to become claimant in this procedure. The VZW Arcoclaim also intervenes in this litigation procedure.

In this procedure VZW Arcoclaim had requested the initiation of a mediation procedure before the court, but this request has been dropped in May 2023.

In the meantime, to date, ArcoClaim has declared that 7,258 Arco shareholders have joined ArcoClaim, in addition to 5,334 Arco shareholders already being part of ArcoClaim.

No pleading calendar has been fixed yet.

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

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

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

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

4.9.2 Investigations into Panama Papers

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

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

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

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

5 Management and Supervision of Belfius Bank

5.1 Composition of the Management Board and the Board of Directors

(1) Management Board

As at the date of this Prospectus, the Management Board has seven members who have all acquired experience in the banking and financial sector. The members of the Management Board form a college. The Management Board consists of the following seven members:

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

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

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

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

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

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

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

The Management Board is responsible for the effective management of Belfius Bank, directing and coordinating the activities of the various business lines and support departments within the framework of the objectives and general policy set by the Board of Directors. These powers do not include determining Belfius Bank's overall policy, nor actions reserved for the Board of Directors by the provisions in the Belgian Companies and Associations Code or by the Belgian Banking Law.

The Management Board ensures that Belfius Bank's business activities are in line with the strategy, risk management and general policy set by the Board of Directors. It passes on relevant information to the Board of Directors to enable it to take informed decisions. It formulates proposals and advice to the Board of Directors with a view to defining or improving Belfius Bank's general policy and strategy.

The members of the Management Board form a collegial body. They are required to carry out their duties in complete objectivity and independence.

Under the supervision of the Board of Directors, the Management Board takes the necessary measures to ensure that Belfius Bank has a robust and sustainable organisational structure suited to Belfius Bank's organisation in order to guarantee the effective and prudent management of Belfius Bank in accordance with the Belgian Banking Law.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the Management Board and their private interests and other duties.

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

(2) Board of Directors

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

- the institution's strategy and objectives;
- the risk policy, including the risk tolerance level;
- the organisation of the institution for the provision of investment services, the exercise of investment activities, the provision of ancillary services, the marketing of structured deposits and the provision of advice to clients on such products, including the organisational arrangements, as well as the skills, knowledge and expertise required of the staff, the resources, procedures and mechanisms with or by which the institution provides those services and exercises those activities; and
- the integrity policy.

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

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

The Board of Directors also approves Belfius Bank's Governance Memorandum.

Pursuant to the articles of association of Belfius Bank, the Board of Directors of Belfius Bank is composed of a minimum of ten members appointed for maximum terms of four years. The table below sets forth the names of the Directors, their position within Belfius Bank and the other significant functions they perform outside Belfius Bank.

The business address for the members of the Board of Directors is 1210 Brussels, Place Charles Rogier 11, Belgium.

As at the date of this Prospectus, the Board of Directors consists of eighteen members, seven of whom sit on the Management Board.

The Board of Directors, which is made up of professionals from a variety of industries, including the financial sector, has the expertise and experience required associated with Belfius Bank's various operating businesses.

Name	**Position**	**Significant other functions performed outside Belfius Bank**
Chris Sunt	Chair of the Board of Directors of Belfius Bank (Independent Director)	none
Marc Raisière	Chair of the Management Board	none
Olivier Onclin	Vice-Chair of the Management Board Responsible for Private, Business & Retail Banking and Customer Transaction Services	none
Marianne Collin	Member of the Management Board Chief Risk Officer Responsible for Risk Management and Compliance	none
Camille Gillon	Member of the Management Board Chief Transformation Officer	none
Dirk Gyselinck	Member of the Management Board Responsible for Wealth, Enterprises, Public, Financial Markets and Customer Loan Services	none
Bram Somers	Member of the Management Board Chief Technology Officer	none
Johan Vankelecom	Member of the Management Board Chief Financial Officer, Responsible for Financial Reporting, ALM, Legal, Tax, Research, Strategic Planning and Performance Management (SPPM), Belfius Asset Management	none

Name	Position	Significant other functions performed outside Belfius Bank
Estelle Cantillon	Member of the Board of Directors of Belfius Bank (Independent Director)	FNRS Research Director at the Université Libre de Bruxelles (ULB)
Colette Dierick	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies
Daniel Falque	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies and non-profit organisations Senior Industry Advisor
Olivier Gillerot	Member of the Board of Directors of Belfius Bank (Independent Director)	Director of companies and associations
Hélène Goessart	Member of the Board of Directors of Belfius Bank (Independent Director)	none
Peter Hinssen	Member of the Board of Directors of Belfius Bank (Independent Director)	Entrepreneur, keynote speaker and author
Georges Hübner	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor at HEC Liège - University of Liège
Lieve Mostrey	Member of the Board of Directors of Belfius Bank (Independent Director) as from 30 April 2025	Director of companies and associations
Isabel Neumann	Member of the Board of Directors of Belfius Bank (Independent Director)	Chief Investment Officer at Shurgard Self Storage
Lutgart Van Den Berghe	Member of the Board of Directors of Belfius Bank (Director)	Emeritus extraordinary Professor at the University of Ghent (UG) and emeritus part-time Professor at the Vlerick Business School
Rudi Vander Vennet	Member of the Board of Directors of Belfius Bank (Director)	Full Professor in Financial Economics and Banking at the 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.

5.2 Advisory committees set up by the Board of Directors

The Board of Directors of Belfius Bank established various advisory committees to assist in its task, i.e., a Nomination Committee, a Remuneration Committee, an Audit Committee and a Risk Committee. These committees are exclusively composed of Non-Executive Directors. These directors are members of a maximum of three of these advisory committees. An Intra-Group Committee, a Technology

Committee and a Belfius Art Committee have also been installed within the governance of the Belfius group.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of any of the following advisory committees and their private interests and other duties.

(1) Nomination Committee

As of the date of this Prospectus, the Nomination Committee of Belfius Bank has the following membership:

Name	**Position**
Lutgart Van Den Berghe	Chair – Director of Belfius Bank
Chris Sunt	Member – Chair of the Board of Directors of Belfius Bank
Daniel Falque	Member – Director of Belfius Bank and Belfius Insurance

The members of the Nomination Committee have the required skills, based on their education and diverse professional experience, to give a competent and independent judgment on the composition and operation of Belfius Bank's management bodies, in particular on the individual and collective skills of their members and their integrity, reputation, independence of spirit and availability.

The Nomination Committee:

- identifies and recommends, for the approval of the General Meeting of Shareholders or of the Board of Directors, as the case may be, candidates suited to fill vacancies on the Board of Directors, evaluates the balance of knowledge, skills, diversity and experience within the Board of Directors, prepares a description of the roles and capabilities for a particular appointment and assesses the expected time commitment, draws up policies relating to suitability, diversity, induction and training of Directors. The Nomination Committee also decides on a target for the representation of the underrepresented gender within the Board of Directors and prepares a policy on how to increase the number of underrepresented gender in order to meet that target;
- gives an opinion on candidate(s) suited to filling vacancies for independent control functions;
- periodically, and at least annually, assesses the structure, size, composition and performance of the Board of Directors and makes recommendations to it with regard to any changes;
- periodically assesses the knowledge, skills, experience, degree of involvement and in particular the attendance of members of the Board of Directors and advisory committees, both individually and collectively, and reports to the Board of Directors accordingly;
- periodically reviews the policies of the Board of Directors for selection and appointment of members of the Management Board, and makes recommendations to the Board of Directors;
- as the case may be gives an opinion or recommendation on reputational issues related to directors;
- plans the renewal and orderly succession of directors and persons responsible for independent control functions;

- prepares proposals for the appointment or mandate renewal, as the case may be, of directors, members of the Management Board, the Chair of the Board of Directors and the Chair of the Management Board;
- assesses the aptitude of a director or a candidate director to meet the criteria set forth for being considered as an independent director;
- examines questions relating to the matter of succession;
- establishes a general and specific profile for directors and members of the Management Board;
- ensures the application of provisions with regard to corporate governance and ensures observance of the procedures and transparency;
- prepares proposals for amendments to the internal rules of the Board of Directors and the Management Board;
- assesses the governance memorandum and, if necessary, proposes amendments;
- discusses general human resources topics;
- discusses and analyses the quantitative statement and qualitative analysis of communications regarding stress, burn-out and inappropriate behaviour at work and actions taken to remedy situations.

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

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

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

(2) Remuneration Committee

As of the date of this Prospectus, the Remuneration Committee of Belfius Bank has the following membership:

Name	**Position**
Lutgart Van Den Berghe	Chair – Director of Belfius Bank
Chris Sunt	Member – Chair of the Board of Directors of Belfius Bank
Daniel Falque	Member – Director of Belfius Bank and of Belfius Insurance
Olivier Gillerot	Member – Director of Belfius Bank

The members of the Remuneration Committee have the required skills, on the basis of their educational and professional experience, to give a competent and independent judgment on remuneration policies and practices and on the incentives created for managing risks, capital and liquidity of Belfius Bank.

In order to perform its tasks correctly, the Remuneration Committee interacted regularly with the Risk Committee and the Audit Committee.

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

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

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

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

The Remuneration Committee prepares the decisions of the Board of Directors by *inter alia*:

- developing the remuneration policy, as well as making practical remuneration proposals for the Chair, the non-executive members of the Board of Directors and the members of the advisory committees of the Board of Directors. The Board of Directors submits these remuneration proposals to the General Meeting of Shareholders for approval;
- developing the remuneration policy, as well as making practical proposals for the remuneration of the Chair of the Management Board and, on his proposal, for the remuneration of the members of the Management Board. The Board of Directors then determines the remuneration of the Chair and the members of the Management Board;
- providing advice on the proposals made by the Chair of the Management Board of Belfius Bank in relation to the severance remuneration for members of Belfius Bank's Management Board. On the proposal of the Remuneration Committee, the Board of Directors of Belfius Bank determines the severance remuneration of the Chair and members of Belfius Bank's Management Board;
- advising the Board of Directors in relation to the remuneration policy for staff members whose activity has a material impact on the risk profile of Belfius Bank (known as "Identified Staff") and in relation to the compliance of the allocation of remuneration to Identified Staff with regard to the remuneration policy put in place for them;
- preparing the remuneration report approved by the Board of Directors and published in the annual report;
- periodically checking to ensure that the remuneration programmes are achieving their objective and are in line with applicable conditions;
- annually assessing the performance and objectives of the members of the Management Board;
- providing an opinion of the elaboration of a global "Risk Gateway", in consultation with the Risk Committee, containing various levers applied at various points in the performance management cycle, with an impact on determination of the variable remuneration.

The Remuneration Committee exercises direct supervision over the determination of objectives and remuneration of the individuals responsible for the independent control functions (Chief Risk Officer, General Auditor & the Compliance Officer).

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

(3) Audit Committee

As at the date of this Prospectus, the Audit Committee of Belfius Bank has the following membership:

Name	**Position**
Georges Hübner	Chair Director of Belfius Bank
Colette Dierick	Member Director of Belfius Bank
Hélène Goessaert	Member Director of Belfius Bank

The members of the audit committee are independent directors. Members of the audit committee have collective expertise in the field of banking, accountancy and auditing. At least one independent director of the audit committee is an expert in the field of accounting and/or audit.

The Audit Committee assists the Board of Directors in its task of carrying out prudential controls and exercising general supervision. The Audit Committee of Belfius Bank operates independently of the Audit Committee implemented at Belfius Insurance. However, the respective Audit Committees of Belfius Bank and Belfius Insurance held joint meetings.

(4) Risk Committee

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

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

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

The Risk Committee has advisory powers and responsibilities with regard to the Board of Directors in the following areas:

- appetite and strategy regarding Belfius Bank's current and future risks (including ESG risks), more particularly the effectiveness of the risk management function and the governance structure to support them;

- monitoring implementation of risk appetite and strategy by the Management Board;
- allocating the risk appetite to various categories of risks and defining the extent and limits of risk in order to manage and restrict major risks;
- considering the risks run by Belfius Bank with its customer tariffs;
- assessing activities which expose Belfius Bank to real risks;
- supervising requirements in terms of capital and liquidity, the capital base and Belfius Bank's liquidity situation;
- guaranteeing that risks are proportional to Belfius Bank's capital;
- formulating an opinion with regard to major transactions and new proposals for strategy activities that have a significant impact on Belfius Bank's risk appetite;
- obtaining information and analysing management reports as to the extent and nature of the risks facing Belfius Bank and the conglomerate (e.g. conglomerate reporting);
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Recovery Plan;
- overseeing the alignment between all material financial products and services offered to clients and the business model and risk strategy of the institution;
- reviewing a number of possible scenarios, including stressed scenarios, to assess how the institution's risk profile would react to external and internal events;
- assessing the recommendations of internal and external auditors and follows up on the appropriate implementation of measures taken.

The Risk Committee operates independently of the Risk & Underwriting Committee of Belfius Insurance. On the request of the Chair of Belfius Bank's committee, a joint Risk Committee of Belfius Bank and Belfius Insurance may be held. To promote sound remuneration policy and practices, without prejudice to the tasks of the Nomination Committee and the Remuneration Committee, the Risk Committee examines whether incentives in the remuneration system take proper account of the institution's risk management, equity requirements and liquidity position, as well as the probability and distribution of profit over time.

The Risk Committee and the Audit Committee periodically exchange information in particular concerning the quarterly risk report, the senior management report on the assessment of internal control and the risk analyses performed by the Legal, Compliance and Audit Departments. The aim of this exchange of information is to enable the two committees to perform their tasks properly and can take the form of a joint meeting.

(5) Intra-Group Committee

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

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

Name	**Position**
Chris Sunt	Chair Chair of the Board of Directors of Belfius Bank

Name	Position
Colette Dierick	Member Director of Belfius Bank
Olivier Gillerot	Member Director of Belfius Bank
Jean-Michel Kupper	Member Director of Belfius Insurance
Stephan Slits	Member Director of Belfius Insurance

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

- monitoring and reporting on significant intra-group transactions;
- monitoring and reporting on intra-group transactions with an important reputational impact; and
- advising on material conflicts of interest between companies belonging to Belfius Group in the context of which they fail to reach an agreement in a relatively short period of time.

(6) Technology Committee

A Technology Committee has been established within the Belfius group.

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

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

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

The Technology Committee is responsible for:

- advising the Board of Directors on, and preparing the decisions of the Board of Directors with respect to, technology strategy and material technology investment choices;
- monitoring, evaluating and advising the Board of Directors on existing and future technology trends, regulation and competition / FinTech developments that may affect Belfius' strategic plans including the monitoring of overall industry trends and future trends concerning enterprise data management and the financial industry's use of data to maximise the customer experience value;

- assessing measures and advising the Board of Directors on Belfius' technological strategic milestones and transformational developments, such as customer experience, sales through digital channels and potential synergies with physical and other networks, potential partnerships;
- monitoring and reporting to the Board of Directors on progress made with respect to the implementation of the technology decisions taken by the Board of Directors, including but not limited to, technology performance and security. This includes inter alia. monitoring and challenging the status of the move for the cloud infrastructure (timing, pace, risk mitigation, hybrid models, talents), foundations and platforms;
- reviewing and discussing reports from management on technology related activities, strategies and metrics, including enterprise data project performance, and reporting to the Board of Directors on the same.

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

(7) Belfius Art Committee

A Belfius Art Committee has been established since 2015.

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

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

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

SELECTED FINANCIAL INFORMATION

1 Consolidated Balance Sheet

	Notes	31 December 2022 IFRS 9 & IFRS 17	31 December 2023 IFRS 9 & IFRS 17	30 June 2024 IFRS 9 & IFRS 17
Assets		*(in thousands of EUR)*		
Cash and balances with central banks	5.2	**27,295,434**	**20,487,140**	**21,139,097**
Loans and advances due from credit institutions	5.3	**4,143,601**	**5,274,249**	**4,219,948**
Measured at amortised cost		4,143,601	5,274,249	4,219,948
Measured at fair value through other comprehensive income		0	0	0
Measured at fair value through profit or loss		0	0	0
Loans and advances	5.4	**110,203,251**	**114,531,169**	**116,352,072**
Measured at amortised cost		109,236,114	109,761,695	111,744,082
Measured at fair value through other comprehensive income		171,152	4,181,197	4,073,749
Measured at fair value through profit or loss		795,986	588,277	534,240
Debt securities & equity instruments	5.5	**26,996,656**	**27,923,609**	**28,293,218**
Measured at amortised cost		17,494,927	13,521,835	13,687,135
Measured at fair value through other comprehensive income		4,040,914	8,718,772	8,902,997
Measured at fair value through profit or loss		1,490,882	1,506,789	1,363,176
Measured at fair value through profit or loss - unit linked		3,969,934	4,176,214	4,339,911
Derivatives	5.6	**5,893,105**	**5,321,426**	**4,706,763**
Gain/loss on the hedged item in portfolio hedge of interest rate risk	5.6	**1,134,326**	**1,608,587**	**907,427**
Assets from insurance/reinsurance contracts	6.5	**116,103**	**97,806**	**89,662**
Insurance contracts assets		0	0	0
Reinsurance contracts assets		116,103	97,806	89,662
Investments in equity method companies	5.7	**94,019**	**161,533**	**166,427**
Tangible fixed assets	5.8	**1,672,048**	**1,864,571**	**1,949,712**
Intangible assets	5.9	**236,639**	**326,957**	**340,149**
Goodwill	5.10	**103,966**	**103,966**	**103,966**
Tax assets	5.11	**397,324**	**494,585**	**604,007**

Selected financial information

	Notes	31 December 2022 IFRS 9 & IFRS 17	31 December 2023 IFRS 9 & IFRS 17	30 June 2024 IFRS 9 & IFRS 17
Current tax assets		27,115	43,356	151,362
Deferred tax assets		370,209	451,229	452,645
Other assets	5.12	**741,993**	**967,171**	**1,071,430**
Non current assets (disposal group) held for sale and discontinued operations	5.13	**39,684**	**16,582**	**12,914**
Total assets		**179,068,150**	**179,179,352**	**179,956,795**

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

Selected financial information

	Notes	31 December 2022 IFRS 9 & IFRS 17	31 December 2023 IFRS 9 & IFRS 17	30 June 2024 IFRS 9 & IFRS 17
Measured at fair value through profit or loss		0	0	0
Tax liabilities	5.11	**72,251**	**52,521**	**45,309**
Current tax liabilities		63,014	45,520	37,892
Deferred tax liabilities		9,237	7,001	7,417
Other liabilities	6.8	**1,387,731**	**1,677,607**	**1,664,843**
Liabilities included in disposal group and discontinued operations		**0**	**0**	**0**
Total liabilities		**167,158,206**	**166,959,989**	**167,800,883**

	Notes	31 December 2022 IFRS 9 & IFRS 17	31 December 2023 IFRS 9 & IFRS 17	30 June 2024 IFRS 9 & IFRS 17
Equity		*(in thousands of EUR)*		
Subscribed capital		3,458,066	3,458,066	3,458,066
Additional paid-in capital		209,232	209,232	209,232
Treasury shares		0	0	0
Reserves and retained earnings		6,176,745	6,709,420	7,398,107
Net income for the period		931,771	1,114,538	481,709
Core shareholders' equity		**10,775,814**	**11,491,257**	**11,547,114**
Fair value changes of debt instruments measured at fair value through other comprehensive income		-221,928	-353,149	-574,285
Fair value changes of equity instruments measured at fair value through other comprehensive income		136,944	195,452	193,129
Fair value changes due to own credit risk on financial liabilities designated as at fair value through profit or loss to be presented in other comprehensive income		0	0	0
Fair value changes of derivatives following cash flow hedging		-112,644	-128,839	-165,238
Remeasurement pension plans		119,933	125,752	115,683
Total insurance/reinsurance finance component recognised in other comprehensive income		679,972	353,669	496,527
Other reserves		208	208	208

Selected financial information

	Notes	31 December 2022 IFRS 9 & IFRS 17	31 December 2023 IFRS 9 & IFRS 17	30 June 2024 IFRS 9 & IFRS 17
Gains and losses not recognised in the statement of income		**602,485**	**193,093**	**66,023**
Total shareholders' equity		**11,378,300**	**11,684,350**	**11,613,137**
Additional Tier-1 instruments included in equity		497,083	497,083	497,083
Non-controlling interests		34,561	37,929	45,691
Total equity		**11,909,944**	**12,219,362**	**12,155,912**
Total liabilities and equity		**179,068,150**	**179,179,352**	**179,956,795**

2 Consolidated Statement of Income

	Notes	31 December 2022 IFRS 9 & IFRS 17	31 December 2023 IFRS 9 & IFRS 17	30 June 2023 IFRS 9 & IFRS 17	30 June 2024 IFRS 9 & IFRS 17
			(in thousands of EUR)		
Interest income	7.1	3,719,383	6,868,486	3,125,869	4,059,404
Interest expense	7.1	-1,640,573	-4,442,285	-1,921,818	-2,879,237
Fee and commission income	7.2	987,430	980,274	486,032	512,612
Fee and commission expenses	7.2	-214,636	-201,362	-98,238	-110,718
Insurance service result	7.3	95,048	277,509	100,670	129,746
Insurance revenue		1,084,919	1,186,641	540,950	598,989
Insurance service expenses		-1,004,554	-880,000	-423,441	-445,498
Net expenses from reinsurance contracts		14,684	-29,132	-16,838	-23,745
Insurance finance result	7.3	-197,857	-238,664	-117,099	-134,726
Insurance finance result		-199,892	-241,007	-118,366	-135,916
Reinsurance finance result		2,035	2,343	1,267	1,190
Dividend income	7.4	71,611	57,285	35,768	48,942
Net income from equity method companies	7.5	3,993	7,527	-293	2,200
Net income from financial instruments at fair value through profit or loss	7.6	24,822	53,527	64,368	56,857
Net income on investments and liabilities	7.7	56,401	-7,211	5,606	4,126
Other income	7.8	378,184	419,368	201,950	218,443
Other expenses	7.9	-561,547	-633,566	-452,735	-401,576

Selected financial information

	Notes	31 December 2022 IFRS 9 & IFRS 17	31 December 2023 IFRS 9 & IFRS 17	30 June 2023 IFRS 9 & IFRS 17	30 June 2024 IFRS 9 & IFRS 17
Income		**2,722,259**	**3,140,888**	**1,430,080**	**1,506,074**
Staff expenses	7.10	-608,177	-678,835	-317,916	-333,242
General and administrative expenses	7.11	-478,875	-517,426	-254,444	-258,909
Network costs		-216,599	-224,464	-114,026	-112,752
Depreciation and amortisation of fixed assets	7.12	-113,791	-117,440	-49,785	-57,339
Expenses		**-1,417,441**	**-1,538,166**	**-736,171**	**-762,242**
Net income before tax and impairments		**1,304,818**	**1,602,722**	**693,909**	**743,831**
Impairments on financial instruments and provisions for credit commitments	7.13	-105,413	-109,211	-17,346	-52,131
Impairments on tangible and intangible assets	7.14	-2,049	-855	-858	0
Impairments on goodwill	7.15	0	0	0	0
Net income before tax		**1,197,356**	**1,492,656**	**675,705**	**691,700**
Current tax (expense) income		-266,896	-304,968	-157,276	-164,003
Deferred tax (expense) income		2,492	-70,897	-38,512	-44,998
Total tax (expense) income	7.16	**-264,403**	**-375,865**	**-195,788**	**-209,001**
Net income after tax		**932,952**	**1,116,791**	**479,917**	**482,699**
Discontinued operations (net of tax)		0	0	0	0
Net income		**932,952**	**1,116,791**	**479,917**	**482,699**
Attributable to non-controlling interests		1,181	2,252	577	990
Attributable to equity holders of the parent		931,771	1,114,538	479,339	481,709

TAXATION ON THE SECURITIES

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of, or disposing of, the Securities and is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of Securities. In some cases, different rules can be applicable.

This summary does not describe the tax consequences for a Securityholder of a write-down or a write-up. Furthermore, this description is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document and remains subject to any future amendments, which may or may not have retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Each prospective Securityholder should consult a professional adviser with respect to the tax consequences of an investment in the Securities, taking into account their own particular circumstances and the influence of each regional, local or national law.

1 Belgian withholding tax

1.1 General

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by, or on behalf of, the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer) and (iii) in case of a sale of the Securities between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the holding period.

For purposes of this summary, a Belgian tax resident is (a) an individual subject to Belgian personal income tax (*personenbelasting*/*impôt des personnes physiques*) (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), (b) a company subject to Belgian corporate income tax (*vennootschapsbelasting*/*impôt des sociétés*) (that is, a corporate entity that has its main establishment or place of effective management in Belgium and which is not excluded by law of the Belgian corporate income tax. A company having its registered seat in Belgium shall be presumed, unless the contrary is proved, to have its principal establishment or place of effective management in Belgium), (c) an Organisation for Financing Pensions (*organisme voor de financiering van pensioenen*/*organisme de financement de pensions*) subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions), or (d) a legal entity subject to Belgian income tax on legal entities (*rechtspersonenbelasting*/*impôt des personnes morales*) (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment or place of effective management in Belgium). A Belgian non-resident is any person or entity that is not a Belgian resident.

Payments of interest on the Securities made by or on behalf of the Issuer are as a rule subject to Belgian withholding tax, currently at a rate of 30 per cent. on the gross amount. Both Belgian domestic tax law and applicable tax treaties may provide for lower or zero rates subject to certain conditions and formalities.

1.2 NBB-SSS

However, payments of interest and principal under the Securities by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Securities if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "**Eligible Investors**") 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 settlement system operated by the National Bank of Belgium (the "**NBB**" and the "**NBB-SSS**"). Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD are directly or indirectly Participants for this purpose.

Holding the Securities through the NBB-SSS enables Eligible Investors to receive the gross interest income on their Securities and to transfer the Securities on a gross basis.

Participants to the NBB-SSS must enter the Securities which they hold on behalf of Eligible Investors in an X-Account.

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 (*Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*/*Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) which include, amongst others:

(i) Belgian resident companies subject to Belgian corporate income tax referred to in Article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*Wetboek van de inkomenstenbelastingen 1992*/*Code des impôts sur les revenus 1992*, the "**Income Tax Code of 1992**");

(ii) without prejudice to Article 262, 1° and 5° of the Income Tax Code of 1992, the institutions, associations or companies referred to in Article 2, §3 of the Belgian law of 9 July 1975 with respect to the control of insurance companies other than those referred to in (i) and (iii);

(iii) state regulated institutions (*parastatalen*/*institutions parastatales*) for social security, or institutions equated therewith, referred to in Article 105, 2º of the Belgian Royal Decree implementing the Income Tax Code 1992 (*Koninklijk Besluit tot invoering van het wetboek inkomstenbelastingen 1992*/*Arrêté Royal d'exécution du code des impôts sur les revenus 1992*, the "**Royal Decree implementing the Tax Code 1992**");

(iv) non-resident investors referred to in Article 105, 5° of the Royal Decree implementing the Tax Code 1992 whose holding of the Securities is not connected to a professional activity in Belgium;

(v) Belgian qualifying investment funds, recognised in the framework of pension savings, provided for in Article 115 of the Royal Decree implementing the Tax Code 1992;

(vi) taxpayers referred to in Article 227, 2° of the Income Tax Code of 1992 subject to non-resident income tax (*belasting van niet inwoners*/*impôt des non-résidents*) in accordance with Article 233 of the Income Tax Code of 1992, and which have used the income generating capital for the exercise of their professional activities in Belgium;

(vii) the Belgian State, in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Income Tax Code of 1992;

(viii) collective investment funds governed by foreign law (such as *beleggingsfondsen*/*fonds de placement*) which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not publicly issued in Belgium or traded in Belgium; and

(ix) Belgian resident companies, 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 Royal Decree of 26 May 1994, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Upon opening of an X-Account with the NBB-SSS for the holding of Securities, the Eligible Investor is required to provide the Participant where this X-Account is kept with a statement of its eligible status on a form approved by the Minister of Finance. This certification need not be periodically renewed (although Eligible Investors must update their certification should their eligible status change and provide that information to the Participant). Participants are however required to make annually declarations to the NBB as to the eligible status of each investor for whom they hold Securities 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 Securities 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 Securities 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 Securities held in central securities depositories as defined in Article 2, 1st paragraph, (1) of the 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 ("**CSD**") acting as Participants to the Securities Settlement System (each, a "**NBB-CSD**"), provided that the relevant NBB-CSD only holds X-Accounts and that they are able to identify the Securityholders for whom they hold Securities in such account. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-CSD as Participants include the commitment that all their clients, holder of an account, are Eligible Investors.

Hence, these identification requirements do not apply to Securities held in Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD or any sub-participants outside of Belgium, provided that (i) they only hold X-Accounts, (ii) they are able to identify the Securityholders for whom they hold Securities in such account and (iii) the contractual rules agreed upon by them include the contractual undertaking that their clients, holders of an account, are all Eligible Investors.

In accordance with the NBB-SSS, a Securityholder who is withdrawing Securities from an X-Account will, following the payment of interest on those Securities, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Securities from the last preceding Interest Payment Date until the date of withdrawal of the Securities from the NBB-SSS.

2 Belgian income tax and capital gains

2.1 Belgian resident individuals

The Securities may only be held by Eligible Investors. Consequently, the Securities may not be held by Belgian resident individuals as they do not qualify as Eligible Investors.

2.2 Belgian resident companies

Interest on the Securities derived by Belgian corporate investors who are Belgian residents for tax purposes, i.e., who are subject to the Belgian corporate income tax (*vennootschapsbelasting*/*impôt des sociétés*), as well as capital gains realised upon the sale of the Securities will be taxable at the ordinary corporate income tax rate of currently 25 per cent. (with a reduced rate of 20 per cent. applying to the first tranche of EUR 100,000 of taxable income of qualifying small companies (as defined in Article 1:24, §1 to §6 of the Belgian Companies and Associations Code).

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 Securities are in principle tax deductible.

Other tax rules apply to companies subject to a special tax regime, such as investment companies within the meaning of Article 185bis of the Income Tax Code of 1992.

2.3 Belgian resident legal entities

The Securities may only be held by Eligible Investors. Consequently, the Securities may not be held by Belgian resident legal entities subject to Belgian legal entities tax (*rechtspersonenbelasting*/*impôts des personnes morales*) which do not qualify as Eligible Investors.

Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income without deduction for or on account of Belgian withholding tax due to the fact that they hold the Securities through an X-account with the NBB-SSS, are required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities themselves (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 Securities are in principle tax exempt, unless the capital gains qualify as interest (as defined in section 1 entitled "*Belgian withholding Tax*"). Capital losses are in principle not tax deductible.

2.4 Organisation for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions (*organismen voor de financiering van pensioenen*/*organismes de financement de pensions*) in the meaning of the Belgian law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision (*Wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen*/*Loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle*), are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible.

Subject to certain conditions, the Belgian withholding tax, if levied, can be credited against any corporate income tax due and any excess amount is in principle refundable.

2.5 Non-residents

Securityholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Securities through a permanent establishment in Belgium, and do not invest in the Securities in the course of their Belgian professional activity will in principle not incur or become liable for any Belgian tax on interest income or capital gains by reason only of the acquisition, ownership, redemption or disposal of the Securities, provided that they qualify as Eligible Investors and that they hold their Securities in an X-Account.

Non-resident companies who have allocated the Securities to a permanent establishment in Belgium are subject to the same income tax treatment as Belgian resident companies.

Non-resident individuals who do not use the Securities for professional purposes and who have their tax residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Securities to Belgium, will be subject to tax in Belgium if the capital gains are obtained or received in Belgium and are deemed to be realised outside the scope of the normal management of the individual's private estate. Capital losses are generally not tax deductible.

3 Tax on stock exchange transactions

No tax on stock exchange transactions (*taks op beursverrichtingen*/*taxe sur les operations de bourse*) will be due on the issuance of the Securities (primary market transaction).

The purchase and sale and any other acquisition or transfer for consideration of the Securities on the secondary market that is (i) either entered into or carried out in Belgium through a professional intermediary or (ii) deemed to be entered into or carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by a private individual with habitual residence (*gewone verblijfplaats*/*residence habituelle*) in Belgium or by a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"), will be subject to the tax on stock exchange transactions at a current rate of 0.12 per cent. or, as the case may be, 0.35 per cent. of the purchase/sale price, capped at EUR 1,300 or, as the case may be, EUR 1,600 per transaction and per party. The tax is due separately from each party to any such transaction, i.e., the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

If the professional intermediary is established outside Belgium, the tax on stock exchange transactions will in principle be due by the Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due), unless the Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with an qualifying order statement (*borderel*/*bordereau*), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and duplicates must be retained by the professional intermediary. A duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium can appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (a "**Stock Exchange Tax Representative**"). Such Stock Exchange Tax Representative will then be jointly and severally liable towards the Belgian Treasury for the tax on stock exchange transactions and to comply with the reporting obligations and the obligations relating to the order statement (*bordereau*/*borderel*) in that respect. If such a Stock Exchange Tax Representative has paid the tax on stock exchange transactions due, the relevant Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

However, no tax on stock exchange transactions will be payable by exempt persons acting for their own account, including investors who are not Belgian residents, provided they deliver an affidavit to the professional intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126/1, 2° of the Code of miscellaneous taxes and duties (*Wetboek diverse rechten en taksen*/*Code des droits et taxes divers*).

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the "**FTT**"). The proposal currently stipulates that once the FTT enters into force, the

participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

4 Tax on securities accounts

Following the Belgian law of 11 February 2021, an annual tax on securities accounts was introduced (the "**Annual Tax on Securities Accounts**") (*jaarlijkse taks op de effectenrekeningen*/*taxe annuelle sur les comptes-titres*). The Annual Tax on Securities Accounts is levied on securities accounts of which the average value during the reference period (i.e., a period of twelve consecutive months beginning on 1 October and ending, in principle, on 30 September of the next year), exceeds EUR 1,000,000.

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 established or located in Belgium or abroad. The Annual Tax on Securities Accounts also applies to securities accounts held by non-residents individuals, companies and legal entities with a financial intermediary established or located 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 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. 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.

The applicable tax rate is equal to the lowest amount of either 0.15 per cent. of the average value of the financial instruments and funds held on the account or 10 per cent. of the difference between the average value of the financial instruments and funds held on the account and EUR 1,000,000. 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 points in time.

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.

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 previously defined by Article 1, §3 of the Belgian law of 25 April 2014 on the status and supervision of credit institutions and investment companies (currently defined by, respectively, Article 1, §3 of the Belgian law of 25 April 2014 on the status and supervision of credit institution and Article 2 of the Belgian law of 20 July 2022 on the status and supervision of stockbroking firms and containing various provisions) and (iv) the investment companies as defined by Article 3, §1 of the Belgian 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 is in principle due by the financial intermediary established or located in Belgium. Otherwise, the annual tax on securities accounts needs to be declared and is due by the holder of the securities accounts itself, unless the holder provides evidence that the annual tax on securities accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In

that respect, intermediaries located or established outside of Belgium could appoint an annual tax on securities accounts representative in Belgium. Such a representative is then liable towards the Belgian Treasury (*Thesaurie*/*Trésor*) for the annual tax on securities accounts due and for complying with certain reporting obligations in that respect. In cases where a Belgian financial intermediary is responsible for the tax – i.e., either incorporated under Belgian law, established in Belgium or having appointed a Belgian representative – that intermediary has to submit a return on the twentieth day of the third month following the end of the reference period at the latest. The tax must be paid on this day. 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.

Anti-abuse provisions, retroactively applying from 30 October 2020, were initially also introduced: a rebuttable general anti-abuse provision and two irrebuttable specific anti-abuse provisions. However, on 27 October 2022, the Constitutional Court annulled (i) the two irrebuttable specific anti-abuse provisions and (ii) the retroactive effect of the rebuttable general anti-abuse provision, meaning that the latter provision can only apply as from 26 February 2021. The other provisions of the Belgian law of 17 February 2021 were not considered to be unconstitutional.

Prospective Securityholders are strongly advised to seek their own professional advice in relation to the Tax on Securities Accounts.

5 Common Reporting Standard

The exchange of information is governed by the Common Reporting Standard ("**CRS**"). As at 16 May 2024, 123 jurisdictions have signed the multilateral competent authority agreement ("**MCAA**"), which 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. More than 50 jurisdictions, including Belgium, have committed to exchange information as from 2018.

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 between EU Member States as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The Belgian government implemented DAC2 and the CRS, pursuant to the Belgian 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 regarding Exchange of Information**").

The Securities are subject to DAC2 and to the Law regarding Exchange of Information. Under DAC2 and the Law regarding Exchange of Information, Belgian financial institutions holding the Securities for tax residents in another CRS contracting state shall report financial information regarding the Securities (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.

As a result of the Law regarding Exchange of Information, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States, (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 to be further determined by Royal Decree.

In a Belgian Royal Decree of 14 June 2017, as amended, it has been determined that the automatic provision of information has to be provided as from (i) 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 six jurisdictions and as from 2023 (for financial year 2022) for a fifth list of 2 jurisdictions.

Investors who are in any doubt as to their position should consult their professional advisers.

6 The proposed Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal for a Directive (the "**Draft FTT Directive**") for a common financial transaction tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and the Slovak Republic (the "**Participating Member States**"), within the framework of an enhanced cooperation procedure. In December 2015, Estonia withdrew from the Participating Member States.

The Draft FTT Directive currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax).

The Draft FTT Directive has a very broad scope and could, if introduced, apply to certain dealings in Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Securities (primary market transactions) should, however, be exempt.

Under the Draft FTT Directive, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. According to the Draft FTT Directive, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established (or deemed established) in a Participating Member State and that there is a financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction or is acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT shall, however, not apply to among others primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall in principle be fixed by each Participating Member State, but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall

be payable by each financial institution which is established (or which is deemed to be established) in a Participating Member State (i) which is a party to the financial transaction, (ii) which is acting in the name of a party to the transaction or (iii) where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT.

However, the proposed FTT remains subject to negotiation between the Participating Member States (excluding Estonia) and the scope of any such tax is uncertain. Therefore, it may be altered at any time prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw. Moreover, once the FTT proposal has been adopted (the "**FTT Directive**"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the FTT Directive might deviate from the FTT Directive itself.

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

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

7 Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance ("**FATCA**") legislation, certain non-U.S. financial institutions ("**Foreign Financial Institutions**") are required to report to the Internal Revenue Service (the "**IRS**") or to their own government financial information with respect to U.S. 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 such accounts or payments made with respect to such accounts). U.S. reportable accounts are accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in the United States. FATCA also requires to look through passive entities (so-called passive Non-Financial Foreign Entities ("**NFFEs**")) to report on the U.S. Controlling Persons of such passive NFFEs.

Belgium and the United States have entered into an intergovernmental agreement regarding the FATCA provisions (the "**Belgian IGA**"), which has been implemented into Belgian law by the Belgian law of 22 December 2016 relating to FATCA (the "**Belgian FATCA Law**").

To the extent the Issuer can be considered as a reporting Foreign Financial Institution under the Belgian IGA, it may be required to regularly obtain and verify information on all of its holders of U.S. reportable accounts and report such information on an automatic and annual basis to the Belgian tax authorities. Holders qualifying as passive NFFEs undertake to inform their controlling persons of the processing of their information by the Issuer, if applicable. Belgian reporting Financial Institutions must submit FATCA declarations to the Belgian tax authorities on an annual basis by 30 June of the year, following the reportable tax year.

Such information, which may include personal data (including, without limitation, the name, address, date and place of birth as well as tax identification number(s) of any reportable individual) and certain financial data about the relevant Securities (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Belgian tax authorities to the IRS in accordance with, and subject to, the relevant Belgian legislation and international agreements.

However, the Belgian Data Protection Authority (the "**Belgian DPA**") has recently declared unlawful the transfer of personal data of so-called Belgian "Accidental Americans" by the Belgian tax authorities to the US tax authorities under the Belgian FATCA IGA. According to the Belgian DPA, the data processing carried out under the Belgian FATCA IGA does not comply with all the principles of the EU General Data Protection Regulation (GDPR), including the rules on data transfers outside the EU. The decision is subject to appeal.

Each Holder and prospective investor should consult their own tax advisors or otherwise seek professional advice regarding the above requirements under FATCA.

SUBSCRIPTION AND SALE

Belfius Bank SA/NV (in its capacity as joint lead manager), BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG and UBS AG London Branch (together, the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 4 November 2024, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe (or procure the subscription) for the Securities at 100 per cent. of their principal amount less commissions. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Securities. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer. In this situation, the issuance of the Securities may not be completed. Investors will have no right against the Issuer nor the Joint Lead Managers in respect of any expense incurred or loss suffered in these circumstances.

Eligible Investors only

The Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account (X-account) that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.

United States

The Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and 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), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in these paragraphs have the meanings given to them by Regulation S.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Securities, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Securities (the "**distribution compliance period**"), within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities 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 the Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the European Economic Area. For the purposes of this provision, 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 (EU) 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.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the United Kingdom. For the purposes of this provision, 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 of the United Kingdom by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**UK FSMA 2000**") and any rules or regulations made under the UK 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 of the United Kingdom by virtue of the EUWA.

Other restrictions in the United Kingdom

Each Joint Lead Manager has represented and agreed that:

(i) it has complied and will comply with all applicable provisions of the UK FSMA 2000 with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the UK FSMA 2000) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the UK FSMA 2000 would not, if the Issuer was not an authorised person, apply to the Issuer.

Belgium

Each Joint Lead Manager has represented and agreed that it will not sell, offer or otherwise make the Securities available in Belgium to "consumers" (*consumenten*/*consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht*/*Code de droit économique*) dated 28 February 2013, as amended.

Italy

The offering of the Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Joint Lead Manager has represented and agreed that any offer, sale or delivery of the Securities or distribution of copies of this Prospectus or any other document relating to the Securities in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any offer, sale or delivery of the Securities or distribution of copies of the Prospectus or any other document relating to the Securities in the Republic of Italy must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**"), CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Consolidated Banking Act**"); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

General

None of the Issuer nor any of the Joint Lead Managers has made any representation that any action will be taken by the Issuer or the Joint Lead Managers that would, or would be intended to, permit a public offer of the Securities or possession or distribution of the Prospectus or any other offering or publicity material relating to the Securities in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Securities or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Securities by it will be made on the same terms.

No Joint Lead Manager has been authorised to make any representation or use any information in connection with the issue, subscription and sale of the Securities other than as contained in this Prospectus or any amendment or supplement to it.

GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for the Securities to be listed on the Official List and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of MiFID II. The Issuer estimates that the expenses in relation to the admission to trading will be approximately EUR 12,200.

2. The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issue and performance of its obligations under the Securities. The issue of the Securities by the Issuer was authorised by resolutions of the Board of Directors of the Issuer passed on 29 August 2024 and on 21 October 2024 and by resolutions of the Management Board of the Issuer passed on 7 August 2024 and on 4 October 2024.

3. The Issuer is an Authorised European Institution and is included on the Credit Institution Register of the EBA.

4. Save as disclosed in the section "*Description of the Issuer*", there has been no material adverse change in the prospects of the Issuer since 31 December 2023 and no significant change in the financial performance or the financial position of the Issuer and its subsidiaries taken as a whole since 30 June 2024.

5. Save as disclosed under the section "*Description of the Issuer – Litigation*", neither the Issuer nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months preceding the date of this Prospectus which may have or have had a significant effect on the financial position or profitability of the Issuer or any of its subsidiaries.

6. The Securities have been accepted for settlement through the NBB-SSS operated by the National Bank of Belgium. The Common Code is 293195609 and the International Securities Identification Number (ISIN) is BE6357126372. As at the date of this Prospectus, the address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels, Belgium.

7. No entity or organisation has been appointed to act as representative of the holders of the Securities. The provisions on meetings of holders of the Securities are set out in Condition 12.1 (*Meeting of holders*) and Schedule 1 (*Provisions on meetings of Securityholders*) to the Conditions.

8. The following documents will be available on the website of the Issuer (www.belfius.be/about-us/en/investors):

   (i) the constitutional documents of the Issuer;

   (ii) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2022 and 31 December 2023, in each case together with the auditor's reports in connection therewith;

   (iii) the unaudited condensed consolidated financial statements of the Issuer for the period ended 30 June 2024, together with the limited review report of the auditor in connection therewith; and

   (iv) a copy of the Prospectus.

   The Agency Agreement will, for so long as the Securities are outstanding, be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Agent.

9. The audit of the Issuer's financial statements for the financial years ended 31 December 2022 and 31 December 2023 was conducted by KPMG Bedrijfsrevisoren BV/SRL, represented by Olivier Macq, with offices at Luchthaven Nationaal 1K, 1930 Zaventem (a member of IBR – IRE *Instituut der Bedrijfsrevisoren/ Institut des Réviseurs d'Entreprises*). The auditor rendered unqualified audit reports on the financial statements of the Issuer for the financial years ended 31 December 2022 and 31 December 2023.

10. Certain of the Joint Lead Managers 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 Joint Lead Managers and their affiliates may have positions, deal or make markets in the Securities, 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 Joint Lead Managers 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 its affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer and routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers 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 Securities. Any such positions could adversely affect future trading prices of the Securities. The Joint Lead Managers 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.

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