



## BELFIUS BANK SA/NV

(Incorporated with limited liability under the laws of Belgium)

Issuer and Calculation Agent

### LONG TERM WARRANT ISSUANCE PROGRAMME

Under the Long Term Warrant Issuance Programme (the “**Programme**”) described in this base prospectus (the “**Base Prospectus**”) Belfius Bank SA/NV (with legal entity identifier (“**LEI**”) A5GWLFH3KM7YV2SFQL84) (also named Belfius Banque SA/Belfius Bank NV, “**Belfius Bank**”)(the “**Issuer**”), may from time to time, issue warrants (together the “**Warrants**” and individually as a “**Warrant**”) which are **linked to Class C shares of the compartment Belfius Equities Europe Conviction within Belfius Equities sicav**, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises’ number 444.229.910 (Code ISIN/Code Trading: BE0945524651; Code Bloomberg: DEXBEUR BB)(the “**Underlying Value**”). The Warrants will be call warrants, meaning that they represent the right to buy shares of the Underlying Value.

Each Tranche of Warrants will be documented by final terms (the “**Final Terms**”).

The Base Prospectus should be read and construed in conjunction with each relevant Final Terms.

The relevant Final Terms and this Base Prospectus together constitute the prospectus (the “**Prospectus**”) for each Tranche.

**The Warrants shall be “Derivatives securities linked to any other underlying than issuer’s or group shares which are not admitted on a regulated market (including any derivatives securities entitling to cash settlement)” in the meaning of the Regulation (EC) No 809/2004 as amended from time to time, and the last time by the Commission delegated regulation (EU) No 759/2013. Derivatives Securities are financial instruments for which the Warrant Holders could lose all or substantial portion of the principal invested.**

**Prior to making an investment decision, prospective investors should consider carefully all of the information set out in the Base Prospectus, including in particular the risk factors as described below in Section 3 (Risk Factors).**

For a description of the risk factors, please revert to pages 13 to 15 and to the full Section 3 of this Base Prospectus.

This Base Prospectus was approved by the Belgian Financial Services and Markets Authority (FSMA) on 23 October 2018 and is valid for one year from that date, provided that the Base Prospectus may be updated by any supplements in accordance with articles 34 and 35 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market.

The current long-term ratings of Belfius Bank are A2, with outlook ‘Positive’ (Moody’s), A-, with outlook ‘Stable’ (Standard & Poor’s) and A-, with outlook ‘Stable’ (Fitch). An outlook is not necessarily a precursor of a rating change or future credit watch action. In case of any rating action by any of the rating agencies, the most recent credit ratings of Belfius Bank are always published on Belfius Bank website, at the following address: <https://www.belfius.com/en/iws/home.html#page=%2FEN%2Fratings%2Findex.aspx&pan=&entity=&anySurferState=>

The Base Prospectus, including the Summary, and the Final Terms of each Tranche of Warrants that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**") and any supplement, are available on the website [www.belfius.be](http://www.belfius.be) (under the heading "Sparen & beleggen/Epargner & investir") and a copy can be obtained free of charge in the offices of Belfius Bank.

The Warrants may be offered to any kind of employer who wants to use the Warrants as employee benefit. The Issuer and its subsidiaries may also subscribe Warrants in their capacity as employer. The final beneficiaries of the Warrants may be consumers in the meaning of the Belgian Code of Economic Law.

**MIFID II product governance / target market** – Belfius Bank SA/NV acts as sole manufacturer and distributor (each as defined in MiFID II) of the Warrants. The Final Terms in respect of any Warrants may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Warrants and which channels for distribution of the Warrants are appropriate.

**PRIIPs / EEA retail investors** – The Warrants may be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently, a key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA will be prepared.

Where applicable, the Issuer and the calculation agent undertake to comply with Book VI of the Belgian Code of Economic Law in respect of Warrants issued under the Programme and accepted by consumers in Belgium.

***This Base Prospectus was approved by the FSMA on 23 October 2018 in accordance with article 23 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market. This approval does not entail any appraisal of the appropriateness or the merits of any issue under the programme nor of the situation of the Issuer.***

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## **IMPORTANT REMARKS**

Potential investors in the Warrants and potential investors interested in this Offer are explicitly reminded that any investment involves financial risks. They are therefore advised to read this Base Prospectus, including the relevant Final Terms, carefully and in its entirety.

It is recommended that they consult about the Offer and the Warrants, and the risks related to any investment therein, with their legal, tax, investment and accounting advisors prior to making any investment decision.

Neither this Base Prospectus nor any other information supplied in connection with the Base Prospectus (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with the Base Prospectus should purchase any Warrants. Each investor contemplating purchasing any Warrants should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Base Prospectus constitutes an offer or an invitation by or on behalf of the Issuer or any other person to subscribe for or to purchase any Warrants.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Base Prospectus is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, inter alia, the most recently published annual and interim financial statements of the Issuer, when deciding whether or not to purchase any Warrants.

No person is authorized to give any information or to make any representation not contained in or not consistent with this document or any other information supplied in connection with the Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This document is to be read and construed in conjunction with any amendment or supplement hereto, with any Final Terms and with all documents which are deemed to be incorporated herein by reference.

The Warrants create options exercisable by the relevant holder. There is no obligation upon any holder to exercise his Warrant nor, in the absence of such exercise, any obligation on the Issuer to pay any amount to any holder of a Warrant, unless provided otherwise. The Warrants will be exercisable in the manner set forth herein and in the relevant Final Terms. The only means through which the Warrant Holder can realize value from the Warrant prior to the Exercise Period is to sell it. Belfius Bank provides some liquidity by giving each Warrant Holder the possibility to sell the Warrants to Belfius Bank.

The Warrants of each issue may be sold by the Issuer at such time and at such prices as the Issuer may select. There is no obligation upon the Issuer to sell all of the Warrants of any issue. The Warrants of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer.

The Issuer shall have complete discretion as to what type of warrants it issues and when.

## 2. SUMMARY

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The following summary is established in accordance with Articles 24 and 28 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market and conveys, in a brief manner and in a non-technical language, the essential characteristics and risks associated with the Issuers and the Warrants.

### **Summary of the BELFIUS BANK SA/NV LONG TERM WARRANTS ISSUANCE PROGRAMME (the “Programme”)**

#### **Introduction and warnings**

##### **A.1 Warning:**

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

##### **A.2** — **Consent by the Issuer or person responsible for drawing up the prospectus to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries.**

Not applicable.

- **Indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the prospectus is given.**

Not applicable.

- **Any other clear and objective conditions attached to the consent which are relevant for the use of the prospectus.**

Not applicable.

- **Information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

Not applicable.

## **Issuer: Belfius Bank SA/NV**

### **B.1 Legal and commercial name of the Issuer**

Legal name: Belfius Bank SA/NV

Commercial name: Belfius Bank

### **B.2 Domicile, legal form, legislation and country of incorporation**

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

### **B.4b Known trends affecting the Issuer and its industry**

#### **1. Uncertain economic conditions**

Belfius Bank's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, the state of the economies Belfius Bank does business in, market interest rates and other factors that affect the economy. Also, the market for debt securities issued by banks is influenced by economic and market conditions in Belgium and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European countries. There can be no assurance that current events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Warrants or that economic and market conditions will not have any other adverse effect. The profitability of Belfius Bank's businesses could, therefore, be adversely affected by a worsening of general economic conditions in its markets, as well as by foreign and domestic trading market conditions and/or related factors, including governmental policies and initiatives. An economic downturn or significantly higher interest rates could increase the risk that a greater number of Belfius Bank's customers would default on their loans or other obligations to Belfius Bank, or would refrain from seeking additional borrowing. As Belfius Bank currently conducts the majority of its business in Belgium, its performance is influenced by the level and cyclical nature of business activity in this country, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a lasting weakening in the Belgian economy will not have a material adverse effect on Belfius Bank's future results.

#### **2. Increased and changing regulation**

As is the case for all credit institutions, Belfius Bank's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates, mainly in Belgium.

Recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in France, the United Kingdom, the United States, Belgium, Luxembourg and elsewhere have already provided additional capital and funding requirements and have already introduced or may, in the future, be introducing a significantly more restrictive regulatory environment, including new accounting and capital adequacy rules, restrictions on termination payments for key personnel and new regulation of derivative instruments. Current regulation, together with future regulatory developments, could have an adverse effect on how Belfius Bank conducts its business and on the results of its operations.

Belfius Bank is subject to on-going regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations mainly in Belgium but also in the other regions in which Belfius Bank does business. Changes in supervision and regulation, in particular in Belgium, could materially affect Belfius Bank business, the products and services offered by it or the value of its assets.

The recent global economic downturn has resulted in significant changes to regulatory regimes. There have been significant regulatory developments in response to the global crisis, including the stress test exercise co-ordinated by the Committee of European Banking Supervisors, in co-operation with the ECB, liquidity risk assessments and the adoption of new capital regulatory requirements under Basel III. Belfius Bank works closely with its regulators, and continually monitors regulatory developments and

plans the contemplated changes, but as the final details of the implementation are not fully determined yet, it is still highly uncertain what actions will be required from Belfius Bank in order to fully comply with the new rules.

Belfius Bank's business and earnings are also affected by fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments and international agencies. The nature and impact of future changes to such policies are not predictable and are beyond Belfius Bank's control.

**B.5 Position of the Issuer in its group**

Since 20 October 2011, the Federal Holding and Investment Company ("FHIC"), acting on behalf of the Belgian Federal State, holds 100% of the shares of Belfius Bank.

**B.9 Profit forecast or estimate**

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

**B.10 Qualifications in the audit report on the historical financial information**

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2017:  
Report on the consolidated financial statements – Unqualified opinion

**B.12 Selected historical key financial information**

<b>Consolidated Balance Sheet</b>			
(in thousands of EUR)	31/12/2016	31/12/2017	30/06/2018*
	Audited	Audited	Unaudited
	<i>IAS 39</i>	<i>IAS 39</i>	<i>IFRS 9</i>
TOTAL ASSETS	176,720,926	167,959,201	166,951,378
TOTAL LIABILITIES	167,709,206	158,437,793	157,063,147
TOTAL EQUITY	9,011,720	9,521,408	9,888,231
TOTAL LIABILITIES AND EQUITY	176,720,926	167,959,201	166,951,378
<b>Consolidated statement of income</b>			
(in thousands of EUR)	31/12/2016	31/12/2017	30/06/2018
	Audited	Audited	Unaudited
INCOME	2,259,271	2,354,682	1,173,130
EXPENSES	-1,366,281	-1,368,608	-690,210
GROSS INCOME	892,990	986,074	482,921
NET INCOME BEFORE TAX	779,524	962,528	473,063
NET INCOME AFTER TAX	535,251	605,522	335,050
NET INCOME Attributable to equity holders of the parent	535,229	605,502	334,622
<b>Consolidated cash flow statement</b>			
(in thousands of EUR)	31/12/2016	31/12/2017	30/06/2018
	Audited	Audited	Unaudited
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,735,837	1,500,517	1,680,872
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	8,826	70,447	-127,048
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	345,659	-380,870	213,616
NET CASH PROVIDED	3,090,321	1,190,094	1,767,440
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7,328,610	10,418,931	11,609,025
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			-57
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10,418,931	11,609,025	13,376,408

\*As from 1 January 2018 IFRS 9 is applied

**Material adverse change in the prospects**

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



### **Significant changes in the financial or trading position**

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

#### **B.13 Recent events relevant to the evaluation of the Issuer's solvency**

The robust liquidity and solvency position of Belfius arises from its successful diversification strategy for funding, irreproachable risk management, sustainable commercial performances and solid financial results. Belfius broadly meets both the SREP standards and the liquidity requirements imposed by the ECB and the BNB.

#### **B.14 Dependence upon other entities within the group**

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

#### **B.15 Principal activities**

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

#### **B.16 Direct or indirect control over the Issuer**

Belfius Bank is fully held by the Belgian Federal State, through the Federal Holding and Investment Company, which manages Belfius at arm's length.

## **Securities**

#### **C.1 Type, class and identification number**

Warrants, non-equity securities, ISIN Code nr. specified as such in the relevant Final Terms.

#### **C.2 Currency : EUR**

#### **C.5 Restrictions on the free transferability**

The Warrants can be freely transferred to any third party, except that (i) they may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons, and (ii) that they may not be transferred by a Warrant Holder to its employer.

#### **C.8 Rights attached to the securities including, ranking and limitations to those rights**

The Warrants provide the Warrant Holder a contractual right against the Issuer to acquire Class C shares of the compartment Belfius Equities Europe Conviction within Belfius Equities sicav against a predetermined Exercise Price during a predetermined Exercise Period. The Warrants are direct, unconditional and unsecured obligations of the Issuer and rank without any preference among themselves, with all other obligations of the Issuer of the same category, only to the extent permitted by laws relating to creditor's rights. This category can be seen as the "ordinary creditors" and may be qualified as "Preferred Senior creditors", being the creditors related under article 389/1, 1° of the banking law. Such creditors have a higher priority ranking than the so-called non-preferred senior creditors defined under article 389/1, 2° of the banking law.

Where applicable, the Issuer and the Calculation Agent undertake to comply with Book VI of the Belgian Code of Economic Law in respect of Warrants issued under the Programme and accepted by consumers in Belgium.

Especially with regard to an unilateral modification of essential features of a financial product, the Articles VI.82 to VI.84 of the Belgian Code of Economic Law provide that, except in the case of a force majeure event, the Issuer may not make a unilateral modification to a product if it concerns an essential feature of the product, unless the sole purpose is to allow the Issuer and/or the Calculation Agent, as the case may be, upon the occurrence of certain events which are outside of the control of the Issuer and/or the Calculation Agent and which were not reasonably foreseeable at the time of issuance of the relevant Warrants, to make modifications to the Warrants that would allow the rights and obligations under the Warrants to be exercised and performed by the Warrant Holders in view of realising a return to the extent possible in accordance with the initially agreed terms and contractual equilibrium, and provided the following cumulative conditions are met:

(i) it is limited to events of force majeure or other events which significantly modify the economy of the contract and for which the Issuer is not responsible;

(ii) the modification itself is not significant, so that it does not create an imbalance between

the rights and obligations of the parties, to the detriment of the Warrant Holders. The Issuer must take all measures and make every effort to continue the product under similar circumstances; and

(iii) no costs are charged to the Warrant Holders.

The following Conditions grant or may grant the Issuer and/or the Calculation Agent a unilateral right to modify certain features of the Warrants:

(a) Condition 8.7.1 (Change of law)

(b) Condition 8.7.2. (Cancellation option upon change of Investment Strategy);

(c) Condition 8.9 (Market Disruption Event or settlement disruption event);

(d) Condition 8.10.1 (Potential Adjustment Event);

(e) Condition 8.10.2 (De-Listing, Insolvency, Merger Event or Nationalisation).”

Furthermore, the cancellation of the Warrants provided for in these Conditions is, to the extent the Warrant Holder is a consumer in Belgium, possible only upon a decision of the Issuer or the Calculation Agent as a consequence of a force majeure event or with indemnification of the loss suffered by the Warrant Holder because of the cancellation. More generally, such modification or cancellation may not in any way disrupt the contractual equilibrium between the rights and obligations of the parties to the contract, to the detriment of the consumer-Warrant Holder.

Such termination and cancellation rights are only intended to be invoked by the Issuer and/or the Calculation Agent, as the case may be, upon the occurrence of certain events which are outside of the control of the Issuer and/or the Calculation Agent and which were not reasonably foreseeable at the time of issuance of the relevant Warrants and provided that all reasonable efforts were otherwise made that would allow the rights and obligations under the Warrants to be exercised and performed by the Warrant Holders in view of realising a return to the extent possible in accordance with the initially agreed terms and contractual equilibrium. In case of cancellation, the Issuer is required to indemnify the Warrant Holder for the loss suffered by the Warrant Holder because of the cancellation. An amount based on the Fair Market Value will be paid as a minimum to compensate the Warrant Holder.

In case of an early termination, no costs are charged to the Warrant Holder (including settlement costs) and a pro rata refund of the costs already borne by the investor (in the proportion (total initial term minus elapsed period)/total initial term), such as, if already paid, the Actual Exercise Price, the Exercise Cost and the Exercise Expense will be made by the Issuer.

The Following Conditions grant or may grant the Issuer and/or the Calculation Agent a right to terminate and cancel the Warrants under certain circumstances:

(a) Condition 8.7.1 (Change of law)

(b) Condition 8.7.2. (Cancellation option upon change of Investment Strategy);

(c) Condition 8.10.2 (De-Listing, Insolvency, Merger Event or Nationalisation).”

The Warrants are instruments that allow the Warrant Holder to gain an exposure on the Underlying Value.

Their value may fluctuate based on, inter alia, fluctuations in the Underlying Value. The Warrants grant the Warrant Holders a right of Exercise of the Warrants (see Condition 8.5) and a right to sell the Warrants to the Issuer in the secondary market (see Condition 8.5.1). In case of an Exercise of the Warrants, the Warrant Holders may realise a return by selling the shares in the Underlying Value they receive upon Exercise provided they can sell the shares of the Underlying Value at a price that is greater than the Strike Price paid for by the Warrant Holder.

**C.11 Admission to trading**

No.

**C.15 How is the value of the securities affected by the value of the underlying instrument(s)?**

The Warrant has a leverage effect. This means that any variation in the price of the Underlying Value is in theory amplified. Therefore, the Warrants involve a high degree of risk. The leverage effect means that the investment of an amount in Warrants compared to a direct investment of the same amount in the Underlying Value may result in significantly higher gains but also in significantly

higher losses. The (non-)occurrence of anticipated fluctuations in the price of the Underlying Value may disproportionately affect the value of Warrants. Warrants may expire worthless if the Underlying Value does not perform as anticipated. If not exercised in accordance with the Terms and Conditions during the Exercise Period, a Warrant will become void and expire worthless. In order to recover and realize a return upon its investment, a Warrant Holder must be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Value. Warrant Holders should also consider that the return on the investment in Warrants is reduced by the costs in connection with the purchase, exercise and/or sale of the Warrants. The loss born by the Warrant Holder is limited to the original premium paid to acquire the Warrants. Such premium is paid by the employer not by the employee who has accepted the offer of the Warrants. Employees receive Warrants for no consideration.

A Warrant's leverage effect is determined by applying the following formula:

$$(\text{Leverage} = \partial P / \partial S \times S / P)$$

where:

S = the price of the Underlying Value

P = the value of the Warrant

The ratio  $\partial P / \partial S$ , which is called the Delta of the Warrant, is the degree to which the Warrant changes value divided by the degree to which the Underlying Value changes value.  $\partial P / \partial S$  is not a constant, and the ratio changes throughout the term of the Warrant.

As and when the leverage effect approaches 1, a Warrant behaves more and more like the Underlying Value, and the risk associated with the Warrant is therefore almost the same as the risk associated with retaining that Underlying Value. The above formula reveals that the leverage tends towards 1 if the Delta of the Warrant,  $\partial P / \partial S$ , and S/P tend towards 1. Both ratios move towards 1 as and when, among other things, the Warrant's term gets longer and therefore the Warrant's initial time value rises.

The Warrants issued by Belfius Bank have a long term. The unavoidable consequence of this is that the initial leverage effect of the Warrant is significantly higher than 1. That also remains so for a large part of the lifetime of the Warrant.

**C.16 Maturity date, exercise date, final reference date**

The dates specified as such in the relevant Final Terms.

**C.17 Settlement procedure**

Belfius Bank will deliver the Underlying Value to a securities account chosen by the Warrant Holder or which must be opened by the investor for this purpose. In case the amount of Warrants exercised is inferior to the Parity, Belfius Bank will proceed to a settlement in cash by transfer to the cash account indicated by the Warrant Holder.

The Parity is the number of Warrants necessary to buy an Underlying Value at the payment of the Strike Price, specified as such in the relevant Final Terms.

The Strike Price is equal to the net asset value of the Underlying Value, specified as such in the relevant Final Terms;

**C.18 How does the return take place?**

Investing in a Warrant allows the Warrant Holder to exercise its option(s) in case the Underlying Value price fixes above the Strike Price (as defined in Section 8. *Terms and Conditions of the Warrants*) during the Exercise Period. The Warrant Holder benefits in this case of the increase of the Underlying Value. Should the fixing occur below the Strike Price during the Exercise Period, the loss is then limited to the original premium paid to acquire the options. The Warrant Holder may also benefit (suffer) from a positive (negative) evolution of the price of the Warrant during its lifetime.

**C.19 Exercise price/final reference price of the underlying**

[The price specified as such in the relevant Final Terms.]

# Underlyings

## **C.20 Type of the underlying and where information on the underlying can be found**

Units of a UCITS registered in Belgium.

The prospectus of the Underlying Value is attached to this Base Prospectus as Annex 3.

## **C.22 Information about the underlying share**

### **Description of the underlying share**

Class C Share (the “Share” or “Shares”) of the compartment Belfius Equities Europe Conviction, within Belfius Equities sicav (the “SICAV”), a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises’ number 444.229.910. Code ISIN: BE0945524651; Code Bloomberg: DEXBEUR BB.

The Shares are offered both to legal entities and natural persons and capitalize their profits. The objective of the SICAV is to enable shareholders to benefit from the trends in the European stock market countries by investing in the stocks of companies selected by the asset manager on the basis of their expected return.

The assets of the SICAV will be invested primarily in shares and/or transferable securities equivalent to shares such as, for example, investment certificates and warrants, issued by companies whose registered office is located or whose primary economic activity is carried out in Europe. The SICAV’s assets may also be invested, on an ancillary basis, in money market instruments, deposits and/or cash.

Management of this compartment is based on the careful selection of a limited number of equities issued by companies of any capitalization offering high-quality fundamentals, rising profit prospects and a low valuation.

The managers of the SICAV make discretionary investment choices based on their own analysis and based on future expectations regarding the evolution of the asset classes in which the SICAV can invest. Derivatives transactions are also allowed either for investment purposes or hedging purposes.

Settlement of the Shares is made on demand and on a daily basis in Belgium. There is no capital guarantee. There are costs associated with the acquisition of the Shares and the recurrent management of the Shares. The deposit bank of the Shares is Belfius Bank S.A.

### **Currency**

EUR

### **Description of the rights attached to the securities and procedure for the exercise of those rights**

Dividend rights: none

The Shares are not vested with any dividend right, considering that the shares of Class C within the compartment Belfius Equities Europe Conviction capitalizes their profits.

The number of shares of the SICAV that may be issued is unlimited.

Right to a share in liquidation surplus

All shares of the SICAV, including the Shares, are vested with equal rights to a share in liquidation surplus within their compartment, if any, *prorata* the amount of shares existing within the relevant compartment by date of its liquidation.

Voting rights

All shares of the SICAV are vested with an equal voting right, each share representing one vote. The annual general shareholders’ meeting of the SICAV is held each year on the last Thursday of September at 11:00 a.m. at the registered seat of the SICAV, or at any other date and place as notified beforehand by the SICAV to the holders of shares.

### **Where and when the shares will be or have been admitted to trading**

The shares are not admitted to trading on a regulated market.

### **Description of any restrictions on the free transferability of the securities.**

None.

**Where the issuer of the underlying is an entity belonging to the same group, the information to provide on this issuer is the information required by the share registration document. Therefore provide such information required for a summary for Annex 1**

Not applicable.

## Risk factors

### D.2 Key information on the key risks that are specific to the Issuer.

Like all other financial institutions, Belfius Bank faces financial risk in the conduct of its business, such as credit risk, operational risk and market risk (including liquidity risk).

General credit risks are inherent in a wide range of Belfius Bank's businesses. These include risks arising from changes in the credit quality of its borrowers and counterparties and the inability to recover amounts due from borrowers and counterparties. Being a universal commercial credit institution, Belfius Bank is financing clients from the (local) public and social sector and corporates through its Public and Corporate Banking business unit as well as households, self-employed persons and small businesses through its Retail and Commercial Banking business unit.

Market risks 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 the volatility levels for market prices or to changes in the correlations between the levels of market prices. Management of market risk within Belfius Bank is focused on all Non-Financial and Financial Markets activities 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. Due to the nature of its activity, Belfius Bank is prevented from assuming significant exposure to market risk.

Operational risk is the risk of financial or non-financial impact resulting from inadequate or failed internal processes, people and systems, or from external events. The definition includes legal and reputation risk but excludes strategic risk and expenses from commercial decisions. Although Belfius Bank has implemented risk controls and loss mitigation actions, and has resources devoted to developing efficient procedures and staff awareness, 100 per cent coverage of operational risks can never be attained, due to the very nature of these risks.

Liquidity risk at Belfius Bank is affected mainly by:

- the amounts of commercial funding collected from retail and private clients, small, medium-sized and large companies and similar clients and the way these funds are allocated to clients through commercial loans;
- the volatility of the collateral that is placed with counterparties as part of the framework of derivative and repo transactions (so-called cash & securities collateral); and
- the value of the liquid reserves by virtue of which Belfius Bank can collect funding on the repo market or from the ECB; the capacity to obtain interbank funding.

### D.6 Key information on the key risks that are specific to the securities.

The Warrants create options exercisable by the relevant holder. There is no obligation upon any holder to exercise his Warrant nor, in the absence of such exercise, any obligation on the Issuer to pay any amount to any holder of a Warrant, unless provided otherwise. The Warrants will be exercisable in the manner set forth in the Base Prospectus and in the relevant Final Terms. The only means through which the Warrant Holder can realize value from the Warrant prior to the Exercise Period is to sell it. Belfius Bank provides some liquidity by giving each Warrant Holder the possibility to sell the Warrants to Belfius Bank.

- Investors may lose the value of their entire investment or part of it, as the case may be.

- If not exercised in accordance with the Terms and Conditions during the Exercise Period, a Warrant will become void and expire worthless.

- The value of the Warrants may also not exactly correlate with the value of the Underlying Value (see section C.15 and C.18). In addition, the Terms and Conditions of the Warrants may need to be adjusted upon the occurrence of events relating to the Underlying Value.

There is no assurance that an active trading market for the Warrants may develop and the Issuer may engage in trading activities related to the Underlying Value.

- Warrants may be subject to conversion or write-off associated to a regulatory bail-in under the European Union's Bank Recovery and Resolution Directive (2014/59/EU).

In the event of write-down or conversion exercised by a Union Resolution Authority, the investors in the Warrants could be impacted as follows:

- i. the security may be converted into ordinary shares or other instruments of ownership;
- ii. the terms may be varied (e.g. the variation of the Strike Price of the Warrants).

It is worth to note that financial public support should only be used as a last resort after having

assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool.

- The Warrant has a leverage effect. This means that any variation in the price of the Underlying Value is in theory amplified. Therefore, the Warrants involve a high degree of risk.

**E.2b Reasons for the Offer and use of proceeds when different from making profit and/or hedging certain risks.**

Not applicable.

**E.3 A description of the terms and conditions of the Offer.**

The Warrants will be offered for subscription as specified in this Base Prospectus and the relevant Final Terms at the relevant Issue Price (Commission included) (the “Offer”). The Issuer has the right to anticipatively terminate the Offering Period if the maximum amount of the Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.

The Warrants have not been offered or sold and will not be offered or sold directly or indirectly and the Base Prospectus and the relevant Final Terms has not been distributed and will not be distributed, except in such circumstances that will result in compliance with all applicable laws and regulations.

The Warrants will not be physically delivered. They will be held on a global securities account with Belfius Bank, and only respectively assigned to Warrant Holders via an electronic platform managed by Belfius Bank and accessible by every Warrant Holder. Belfius Bank will not charge any fees for Warrants held in the aforementioned global securities account.

The Issuer has the right to cancel any issue of Warrants under the Programme during their Offering Period until the fifth business day before their Issue Date, either (i) when it reasonably believes that investors will not subscribe to the Offer for an amount of at least the Minimum Amount specified in the relevant Final Terms or (ii) in case it considers there is a material adverse change in market conditions. Investors that have subscribed to these Warrants will be notified pursuant to Condition 8.14. of such cancellation. The Issuer has the right to anticipatively terminate the Offering Period if the Maximum Amount of the relevant Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements and, subject to certain exceptions, Warrants may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons.

The Warrants have not been offered, sold or delivered and will not be offered, sold or delivered, as part of their distribution at any time, or otherwise until 40 days after the commencement of the offering within the United States or to, or for the account or the benefit of, U.S. persons and a dealer to which the Warrants are sold during the restricted period, will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the U.S. or to, or for the account or benefit of, U.S. persons.

The Warrants will be offered at the relevant Issue Price (Commission included). This price comprises all costs.

The financial service will be performed by Belfius Bank.

The Offer is governed by the laws of Belgium. All disputes arising out of or in connection with the Offer shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

**E.4 A description of any interest that is material to the issue/Offer including conflicting interests.**

The Issuer may also engage in trading activities (including hedging activities) related to the Underlying Value and other instruments or derivative products based on or related to the Underlying Value for its proprietary account or for other account under its management. The Issuer may also issue other derivative instruments in respect of the Underlying Value. The Issuer may also act as underwriter in connection with future offerings of the Underlying Value or other securities related to the Underlying Value or may act as financial adviser to certain companies or in a commercial banking capacity for certain companies. Such activities could present certain conflicts of interest, could influence the prices of the Underlying Value or other securities referring to the Underlying Value and could adversely affect the value of such Warrants. In case the Calculation Agent should

make determinations and calculations in respect of the Warrants, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner, but not necessarily in the interest of the Warrant Holder.

## Offer

### **E.7 Estimated expenses charged to the investor by the Issuer**

Subscribers to Warrants shall pay the Issue Price which includes the Commission, both as specified in the relevant Final Terms. The Issue Price is paid by the employer not by the employee who has accepted the offer of the Warrants. There are no additional costs of subscription.

In respect of the Exercise of a Warrant during the Exercise Period, the Warrant Holder shall pay, besides the Strike Price, the applicable fees and taxes related to a subscription in the Underlying Value, as may exist at such time.

There are no additional costs related to a sale of the Warrants to the Issuer. The Warrant Holder shall only pay the applicable taxes related to such a sale.

## 3. RISK FACTORS

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(Annex IV.4 of Regulation (EC) 809/2004)

*The following sets out certain aspects of the offering of the Warrants of which prospective investors should be aware of.*

*An investment in the Warrants involves a degree of risk. Prospective investors should carefully consider the risks set forth below and the other information contained in this Base Prospectus (including information incorporated by reference) before making any investment decision in respect of the Warrants. The risks described below are risks which the Issuers believe may have a material adverse effect on the relevant Issuer's financial condition and the results of its operations, the value of the Warrants or the relevant Issuer's ability to fulfil its obligations under the Warrants. All of these factors are contingencies which may or may not occur and Belfius Bank is not in a position to express a view on the likelihood of all or any of such contingencies occurring. 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 relevant Issuer's business, results of operations, financial condition or future prospectus or may result in other events that could cause investors to lose all or part of their investment.*

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

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

*Prospective investors should also read the detailed information set out elsewhere in the Base Prospectus (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.*

*In case of doubt in respect of the risks associated with the Warrants and in order to assess their adequacy with their personal risk profile, investors should consult their own financial, legal, accounting and tax experts about the risks associated with an investment in these Warrants, the appropriate tools to analyse that investment, and the suitability of that investment in each investor's particular circumstances. No investor should purchase the Warrants described in the Base Prospectus unless that investor understands and has sufficient financial resources to bear the price, market, liquidity, structure, redemption and other risks associated with an investment in these Warrants. The market value can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Warrants.*

*Factors that may affect Belfius Bank's ability to fulfill its obligations under the Warrants.*

*Like other banks, Belfius Bank faces financial risk in the conduct of its business, such as credit risk, operational risk and market risk (including liquidity risk).*

### *3.1. Risks related to the business of banks in general, and to the Business of Belfius Bank*

#### *3.1.1. Credit Risk*

General credit risks are inherent in a wide range of Belfius Bank's businesses. These include risks arising from changes in the credit quality of its borrowers and counterparties and the inability to recover amounts due from borrowers and counterparties. Belfius Bank is subject to the credit risk that third parties (such as trading counterparties, counterparties under swaps and credit and other derivative contracts, borrowers, issuers of



securities which Belfius Bank holds, customers, clearing agents and clearing houses, exchanges, guarantors, (re-)insurers and other financial intermediaries owing Belfius Bank money, securities or other assets) do not pay, deliver or perform under their obligations. Bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other factors may cause them to default on their obligations towards Belfius Bank.

Belfius Bank measures its credit risk in terms of Full Exposure at Default (“**FEAD**”), which is determined as follows:

- for balance sheet assets (other than derivatives): the gross carrying amounts (i.e., before impairment);
- for derivatives: the fair value of derivatives increased with the potential future exposure (calculated under the current exposure method or add-on);
- for reverse repurchase agreements: the carrying amount as well as the excess collateral provided for repurchase agreements; and
- for off-balance sheet commitments: either the undrawn part of liquidity facilities or the maximum commitment of Belfius Bank for guarantees granted to third parties (including financial guarantees given).

CRD IV (as defined under paragraph 3.1.6 *Increased and changing regulation of the financial services industry could have an adverse effect on Belfius Bank’s operations*) provides for the use of an Internal Ratings-Based (“**IRB**”) approach to credit risk and partly for market risk. Subject to certain minimum conditions and disclosure requirements, banks that have received regulatory approval to use the IRB approach may rely on their own internal estimates or risk components in determining the capital requirement for a given exposure. Belfius Bank uses mainly the Advanced Internal Ratings-Based (“**AIRB**”) approach for assessing its capital requirements for credit risk and partly internal models for capital requirements related to market risks (interest rate and foreign exchange risks). This means that Belfius Bank uses internal models under the advanced method to calculate the probability of default, the loss given default and credit conversion factor<sup>1</sup> in order to determine the capital requirement for a given exposure. For interest rate risk and foreign exchange risk, Belfius Bank uses the internal model (based on Value-at-Risk<sup>2</sup> (“**VaR**”). For other market risks (e.g. equity), Belfius Bank uses the standard method<sup>3</sup>.

Belfius Bank requires approval from the European Central Bank (the “**ECB**”) in order to implement new models or to change existing approved models. In particular, the ECB has announced that it will be conducting a Targeted Review of Internal Models (“**TRIM**”). TRIM is a process being undertaken by the ECB in systemically important banks subject to its supervision. It is being undertaken to increase harmonisation in approaches to internal models used by banks across the European Union. During 2016, the ECB launched preliminary questionnaires and first data requests. This was followed by a second phase of on-site inspections in 2017 and 2018. Although the results of the first on-site inspections for credit risks did not reveal major weaknesses, further regulatory reviews and inspections may require changes to the activities impacted by the models used by Belfius Bank, such as capital management, risk management and stress testing. It may also give rise to potential adverse capital consequences, including the application of additional capital scalars, delay in the normalization of risk-weighted asset density and reputational risk for Belfius Bank.

When granting credits to individuals (essentially mortgage loans), to self-employed persons and to small

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<sup>1</sup> The ratio of the currently undrawn amount of a commitment that will be drawn and outstanding at default to the currently undrawn amount of the commitment. The extent of the commitment will be determined by the advised limit, unless the unadvised limit is higher.

<sup>2</sup> Value-at-Risk represents an investor’s maximum potential loss on the value of an asset or a portfolio of financial assets and liabilities, based on the investment timeframe and a confidence interval. This potential loss is calculated on the basis of historical data or deduced from normal statistical laws.

<sup>3</sup> Since the implementation of Basel 2, banks have been able to either use a regulatory standard approach to calculate credit risk capital requirements, or follow an IRB approach by leveraging their internal understanding of risk measurement. Under the standard method, the bank is required to use ratings from external credit rating agencies and apply pre-defined risk weights to its exposures.

enterprises, Belfius Bank employs standardised and automated processes including credit scoring and/or rating models. Changes in objective information are reflected in the credit grade of the relevant borrower with the resultant grade influencing the management of that borrower's loans. There is a risk that Belfius Bank's credit scoring and/or rating processes may not be effective in evaluating the credit quality of customers for instance in case of structural changes in the economy of clients' behaviours or in identifying changes in loan quality in a timely manner. Any such failure in the timely identification of loan impairment could materially adversely affect Belfius Bank's business, results of operations, financial condition and prospects.

When granting credits to medium-sized and large enterprises as well as Public and Social Banking customers, an individualised approach is implemented. Credit analysts examine the file autonomously and define the customer's internal rating. Then a credit committee takes a decision on the basis of various factors such as clients' financial situation (e.g. in relation to liquidity and capital), the customer relationship, the customer's prospects, the credit application and the guarantees. In the analysis process, credit applications are carefully examined and only accepted if continuity and the borrower's repayment capacity are demonstrated. To support the credit decision process, a Risk Adjusted Return on Capital ("RAROC") measures the expected profitability of the credit transaction or even of the full relationship with the customer, and compares it with a required RAROC level (target rate). As such, the RAROC is an instrument for differentiating the risks and for guiding the return combinations in an optimal way.

Belfius Bank has further intensified its strategy of being close to its customers. This approach provides a significant added value to Belfius Bank's customers, regardless of the segment in which they operate. Credit and risk committees are regionalised and decision-making powers are increasingly delegated to the regional commercial and credit teams, strengthening the principle of decision-by-proximity. This has resulted in a greater involvement of the various teams in the decision-making process, as well as stronger monitoring of the use of the delegated powers mentioned above.

While risk across these borrower classes remains relatively low, certain categories of loans are subject to heightened credit risk. In particular, the National Bank of Belgium (the "NBB") has expressed concern with regard to the evolution of the Belgian residential real estate and mortgage market and Belfius Bank remains focused on monitoring the higher risk segments of its mortgage loan book, including mortgages with longer repayment terms, mortgages with a high loan-to-value ratio and loans with high debt service costs relative to the relevant borrower's income and the share in its portfolio of mortgage 'buy to let' loans. Stress testing is regularly conducted to monitor the resilience of the real estate portfolio to shocks. In view of this concern, the NBB has requested that banks increase their capital buffer to absorb unexpected shocks in case of residential real estate market downturn. In light of the NBB's concerns, exposure to corporates in the real estate sector, which have been increasing rapidly, is also an area of focus for Belfius Bank.

Furthermore, in relation to Belfius Bank's lending to public institutions, changes in budgetary and taxation policy may affect the asset quality of loans to municipalities. In addition, one key area of concern is the hospitals sector. The indebtedness of Belgian hospitals has increased significantly over the past five years, which has affected their repayment capacity. The sector is characterized by overcapacity in terms of available beds and infrastructure and the 6th state reform may have an impact on guarantees obtained by creditors.

Belfius Bank monitors the evolution of the solvency of its borrowers throughout the whole credit lifecycle. The different portfolios of the Retail and Commercial Business for which risk management relies on a portfolio approach are reviewed periodically. Customer ratings, using an individualised approach, are also updated periodically, in line with the bank's choice to apply AIRB models. The economic review process of credit applications is intended to ensure that any signs of risk can be detected in time and subsequently monitored and/or addressed. This review process is organised, according to the Credit Review Guideline, in an annual cycle, with in-depth analysis for customers with important credit exposures and/or significant (positive or negative) evolutions in their risk profile.

Finally, since 2011, Belfius Bank has been engaged in a tactical de-risking of the ex-legacy portfolios<sup>4</sup> until end 2016. Belfius Bank has been successful in achieving its aim of bringing the risk profile of the legacy portfolios in line with the risk profile of its Retail and Commercial and Public and Corporate segments. As from 1 January 2017, the remainder of these legacy portfolios have been integrated in Group Center and the remaining securities are being managed in natural run-off. There can be no assurance, however, that the risk profile of these legacy portfolios will remain at current levels.

No assurances can, however, be given that the strategy and framework to control the general credit risk profile and to limit risk concentrations will be effective and that these risks will not have an adverse effect on Belfius Bank's results of operations, financial condition or prospects.

### **3.1.2. Market Risk**

The businesses and earnings of Belfius Bank and of its individual business segments are affected by market conditions.

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 the volatility levels for market prices or changes in the correlations between the levels of market prices.

Belfius Bank records several additional value adjustments which might vary significantly based on market evolutions of for example credit and basic risk.

Management of market risk within Belfius Bank is focused on all Non-Financial and Financial Markets activities 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.

#### **Non-Financial Markets activities**

Changes in the shape and level of interest rate curves impact the economic value of Belfius Bank's assets and liabilities. The persistence of exceptionally low interest rates for an extended period, or negative interest rates, could adversely impact Belfius Bank's earnings through the compression of its net interest margin, as assets are being repriced at lower costs and funding costs decline is limited by the legally binding minimum interest rate on regulated saving deposits. Low interest rates also caused early repayments and re-financings across Belfius Bank's mortgage book, with about 2/3 of the outstanding stock having been prepaid. Additional repayments could further have an adverse effect on net interest income. The accommodative monetary policies pursued by central banks may also lead to excessive inflationary pressures on relevant economies at some point or lead to further search for yield (and asset price increases). Furthermore, in the event of a sudden large increase or frequent increases in interest rates, Belfius Bank may not be able to respond to the market or re-price its assets and liabilities at the same time, giving rise to re-pricing gaps in the short term which can adversely affect its net interest margin. Belfius Bank's earnings are exposed to basis risk (i.e., an imperfect correlation in the adjustment of the rates earned and paid on different financial products, including derivatives, with otherwise similar re-pricing characteristics). Interest rates also affect the affordability of Belfius Bank's products to customers. A rise in interest rates, without sufficient improvements in customers' earnings levels, could lead to an increase in default rates among customers with variable rate obligations, albeit this part of Belfius Bank's portfolio is limited. This could in turn lead to increased cost of risk and lower profitability for Belfius Bank. An increase in interest rates would also result in a higher rate being used for purposes of discounting future cash flows from Belfius Bank's loan book, which would have the effect of increasing cost of risk and affect negatively Belfius Bank's value. A high interest rate environment may also reduce demand for mortgages and

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<sup>4</sup> At the time of the separation from Dexia Group at the end of 2011, Dexia Bank owned an investment portfolio, inherited from its period within Dexia Group. It was composed of a Legacy bond portfolio and a Legacy credit guarantee (intermediation) portfolio. Since the end of 2011 and the end of 2016, Belfius has implemented an active tactical de-risking plan leading to a significant reduction of those portfolios. The remaining securities of these portfolios will henceforth be managed under a natural run-off.

other loan products generally, as customers are less likely or less able to borrow at the same levels when interest rates are high as when interest rates are low.

In terms of credit spread risk, widening credit spreads could adversely impact the fair value of Belfius Bank's fixed income financial investments available for sale or the adjustments to the fair value of the derivatives.

In addition, although Belfius Bank uses the euro as its reporting currency, a portion of its assets, liabilities, income and expenses are generated in other currencies. Changes in foreign exchange rates affect the value of assets, liabilities, income and expenses denominated in foreign currencies. Any failure to manage interest rate risk or the other market risks to which Belfius Bank is exposed could have a material adverse effect on its business, financial condition, results of operations and prospects.

Managing structural exposure to market risks (including interest rate risk, equity risk, real estate risk and foreign exchange risk) is also known as ALM. The structural exposure at the Issuer results from the imbalance between its assets and liabilities in terms of volumes, durations and interest rate sensitivity.

Belfius Bank's Board of Directors has the ultimate responsibility for setting the strategic risk tolerance, including the risk tolerance for market risks in non-financial markets activities. The Management Board of the Issuer has the ultimate responsibility for managing the interest rate risks of Belfius Bank within the above set risk tolerance and within the regulatory framework.

Operational responsibility for effective ALM is delegated to the Asset & Liability Committee ("ALCo"). The ALCo manages interest rate risk, foreign exchange risk, and liquidity risk of Belfius Bank's balance sheet within a framework of normative limits and reports to the Management Board. Important files at a strategic level are submitted for final decision to the Management Board, which has the final authority before any practical implementation.

The ALCo of Belfius Bank is responsible for guiding and monitoring balance sheet and off-balance sheet commitments and, in doing so, places an emphasis on:

- the creation of a stable income flow;
- the maintenance of economic value; and
- the insurance of robust and sustainable funding.

### **Financial Markets activities**

Financial Markets activities encompass client-oriented activities and hedge activities.

The **VaR** concept is used as the principal metric for proper management of the market risk Belfius Bank is facing. The VaR measures the maximum loss in Net Present Value ("NPV") the bank might be facing in normal and/or historical market conditions over a period of 10 days with a confidence interval of 99%. The following risks are monitored at Belfius Bank using a VaR computation:

- The interest rate and foreign-exchange rate risk: this category of risk is monitored via an historical VaR based on an internal model approved by the NBB. The historical simulation approach consists of managing the portfolio through a time series of historical asset yields. These revaluations generate a distribution of portfolio values (yield histogram) on the basis of which a VaR (% percentile) may be calculated. The main advantages of this type of VaR are its simplicity and the fact that it does not assume a normal but a historical distribution of asset yields (distributions may be non-normal and the behaviour of the observations may be non-linear).
- The general and specific equity risks are measured on the basis of a historical VaR with full valuation based on 300 scenarios.
- The spread risk and the inflation risk are measured via a historical approach, applying 300 observed variations on the sensitivities.

Since the end of 2011, Belfius Bank has computed a Stressed Value-at-Risk (“**S-VaR**”) on top of its regular VaR, which also enters into the computation of weighted risks for Market Risk. This S-VaR measure consists of calculating a historical VaR based on a twelve consecutive months observation period which generates the largest negative variations of NPV in the bank’s current portfolio of financial instruments.

### **3.1.3. Operational risk**

Belfius Bank defines “operational risk” as the risk of financial or non-financial impact resulting from inadequate or failed internal processes, people and systems, or from external events. The definition includes legal, reputational and strategic risk but excludes expenses from commercial decisions.

The framework on the management of operational risk at Belfius Bank is in place and is based on the principles mentioned in the “principles for the sound management of operational risk” of the Bank for International Settlements).

The governance structure is based on a first line responsibility by the business management and a second line responsibility by the operational risk management department, who defines the methodological principles. There is a clear separation of duties between both lines.

The operational risk management includes the collection of operational events (loss data), the organisation of yearly risk and control self-assessments, as well as the performance of scenario analysis, the collection of insurance claims and the yearly review of the insurance policies, advice on operational risk topics, co-ordination of the fraud management at Belfius Bank, the development and testing of business continuity plans and performance of business impact analysis, a crisis management programme, the management of information risk. All activities of Belfius Bank are covered by the current framework.

### **3.1.4. Liquidity Risk**

Liquidity risk is inherent in much of Belfius Bank’s business and mainly stems from:

- changes to the commercial funding amounts collected from Retail and Private customers, small, medium-sized and large companies, public and similar customers and the way these funds are allocated to customers through loans;
- the volatility of the collateral that is to be deposited with counterparties as part of the 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; and
- the capacity to obtain interbank and institutional funding.

CRD IV requires banks such as Belfius Bank to meet targets set for the Basel III (as defined under paragraph 3.1.8. *Effective Capital Management and capital adequacy and liquidity requirements*) liquidity related ratios, i.e., (i) the liquidity coverage ratio<sup>5</sup> (“**LCR**”) under Article 412 CRR which requires banks to hold sufficient high quality liquid assets to withstand a 30-day stressed funding scenario and (ii) the net stable funding ratio<sup>6</sup> (“**NSFR**”) under Article 427 which is calculated as the ratio of an institution’s amount of available stable funding to its amount of required stable funding. Belfius closed the year 2017 with a LCR of 130% (yearly

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<sup>5</sup> The Liquidity Coverage Ratio forces financial institutions to maintain a sufficient stock of quality liquid assets to withstand a crisis that puts their cash flows under pressure. The assets to hold must equal to or greater than their net cash outflow over a 30-day period under stress (having at least 100% coverage). The parameters of the stress scenario are defined under Basel III.

<sup>6</sup> The Net Stable Funding Ratio (NSFR) is defined as the amount of available stable funding relative to the amount of required stable funding, and is based on Belfius’ interpretation of the current Basel Committee guidelines, which may change in the future. This ratio should be equal to at least 100% on an on-going basis. “Available stable funding” is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of such stable funding required of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance-sheet (OBS) exposures.

average of 132%) and a NSFR of 116.5%. Therefore, Belfius Bank currently complies with the CRD IV requirements (minimum requirements both set at 100% as from 1 January 2018). However, failure to comply with these ratios in the future may lead to regulatory sanctions. Wholesale funding may also prove difficult if Belfius Bank does not achieve LCR and NSFR ratios comparable to peers.

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, property and limited partnership interests, have comparatively low liquidity. Market downturns typically exacerbate low liquidity. They may also reduce the liquidity of those assets which are typically liquid, as occurred following the financial crisis with the markets for asset-backed securities relating to property assets and other collateralised debt and loan obligations.

In addition, due to new regulatory requirements and unconventional monetary policy, financial markets continue to experience reduced liquidity in some asset classes. Although liquidity for many asset classes has improved since 2008, there have been periods of illiquidity in the capital markets for certain asset classes such as structured credit. In periods of illiquidity, Belfius Bank may be unable to sell or buy assets at market efficient prices and may therefore realise investment losses or incur higher financing costs. In addition, illiquid markets could result in Belfius Bank being required to hold higher levels of liquid but low yielding assets as a buffer or having to raise or hold additional funds for operational purposes through financings, which could have a material adverse effect on its business, results of operations, financial condition and prospects. This might also apply to illiquidity in the Assets under Management (“**AuM**”) business. In case of serious stress and in the event clients withdrew their funds from their investment shares, Belfius Bank might need to provide financial support to its AuM beyond or in the absence of any contractual obligations (step-in risk).

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 and capital 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 CFO and under the general responsibility of the Management Board. The CFO also bears final operational responsibility for managing the interest rate risk contained in the banking balance sheet via ALM department and the Alco, meaning that total balance sheet management lies within his operational responsibility.

ALM organises a weekly Liquidity Management Committee (“**LMC**”), in presence of the Risk Department, the Treasury Department of the Financial Markets and representatives of the commercial business lines. This committee coordinates the implementation of the funding plan validated by ALCo.

ALM monitors the funding plan to guarantee that Belfius Bank will continue to comply with its internal and regulatory liquidity ratios.

ALM reports on a daily basis to the CFO and CRO and on a monthly basis to the Board of Directors about Belfius Bank’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 hypothesis and models, realises simulation over stress situations and oversees compliance with limits, as laid down in the Liquidity Guidelines.

### *3.1.5. Competition*

Belfius Bank faces strong competition across all its markets from local and international financial institutions including banks, life insurance companies and mutual insurance organisations. While Belfius Bank believes it is positioned to compete effectively with these competitors, there can be no assurance that increased competition will not adversely affect Belfius Bank’s pricing policy and lead to losing market share in one or more markets in which it operates.

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

The introduction of Payment Services Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (“**PSD2**”), may enable the emergence of payment aggregators, which could in turn reduce the relevance of traditional bank platforms and weaken brand relationships. The developments of ecosystems – which lead to the abolition of borders across economic sector – could further exacerbate these threats.

Any failure by Belfius Bank to manage the competitive dynamics to which it is exposed could have a material adverse effect on its business, financial condition, results of operations, and prospects.

### *3.1.6. Increased and changing regulation of the financial services industry could have an adverse effect on Belfius Bank’s operations*

As is the case for all credit institutions, Belfius Bank’s business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates, mainly in Belgium.

Recent developments in the global markets have led to an increased involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in France, the United Kingdom, the United States, Belgium, Luxembourg and elsewhere have, as a result, provided additional capital and funding requirements and have introduced and may, in the future, be introducing a significantly more restrictive regulatory environment, including new accounting and capital adequacy rules, restrictions on termination payments for key personnel and new regulation of derivative instruments. Current regulation, together with future regulatory developments, could have an adverse effect on how Belfius Bank conducts its business and on the results of its operations.

The recent global economic downturn has resulted in significant changes to regulatory regimes. There have been significant regulatory developments in response to the global crisis, including the stress test exercise co-ordinated by the Committee of European Banking Supervisors in co-operation with the ECB, liquidity risk assessments and the adoption of a new regulatory framework. The most relevant areas of regulation include the following:

- The requirements under Basel III have been implemented in the European Union through the adoption of (i) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions on prudential requirements for credit institutions and investment firms (“**CRD**”) and (ii) 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 (“**CRR**” and together with CRD, “**CRD IV**”).
- As part of the so-called banking union, the “**Single Supervision Mechanism**” or “**SSM**” was adopted by Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions. Under the SSM, the ECB has assumed certain supervisory responsibilities in relation to Belfius Bank, which were previously handled by the NBB. The ECB may interpret the applicable banking regulations, or exercise discretions given to the regulator under the applicable banking regulations, in a different manner than the NBB.
- Regulation 806/2014 of the European Parliament and of 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 (“**Single Resolution Mechanism**” or “**SRM**”). The SRM entered into force on 19 August 2014 and applies to credit institutions

which fall under the supervision of the ECB, including the Issuer. The SRM has established a Single Resolution Board (“**SRB**”) which, since 1 January 2016, is the authority in charge of vetting resolution plans and carrying out the resolution of a credit institution that is failing or likely to fail. The SRB will act in close cooperation with the European Commission, the ECB and the national resolution authorities (which, in case of the Issuer, include the resolution college of the NBB within the meaning of Article 21ter of the Belgian law of 22 February 1998 establishing the organic statute of the NBB (the “**Belgian Resolution College**”). The SRB together with the Belgian Resolution College (where applicable) is hereinafter referred to as the “Resolution Authority”. Moreover, the SRM established a Single Resolution Fund (“**SRF**”) which will be built up with contributions of the banking sector to ensure the availability of funding support for the resolution of credit institutions. The overall aim of the SRM is to ensure an orderly resolution of failing banks with minimal costs to taxpayers and the real economy.

- Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**Bank Recovery and Resolution Directive**” or “**BRRD**”) aims to provide supervisory and resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers’ exposure to losses.

Belfius Bank’s business and earnings are also affected by fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments and international agencies. The nature and impact of future changes to such policies are not predictable and are beyond Belfius Bank’s control.

Belfius Bank conducts its business subject to on-going regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations mainly in Belgium but also in the other regions in which Belfius Bank does business. Changes in supervision and regulation, in particular in Belgium, could materially affect Belfius Bank’s business, the products and services offered by it or the value of its assets.

On 23 November 2016, the European Commission published two proposals amending, inter alia, the CRR, the CRD, the BRRD and the SRM (the “**EU Banking Reform Proposals**”). These proposals aim to (i) increase the resilience of European institutions and enhancing financial stability, (ii) improve banks’ lending capacity to support the EU economy and (iii) further facilitate the role of banks in achieving deeper and more liquid EU capital markets to support the creation of a Capital Markets Union. These proposals remain, however, subject to negotiation between the Member States and have been submitted to the European Parliament and to the Council for consideration and adoption.

In addition, on 7 December 2017 the Basel Committee announced a final agreement on the finalisation of Basel III (commonly referred to as Basel IV). This will result in an increase of the capital requirements for common equity tier 1 (“**CET1**”) from 2022 onwards. Belfius expects this impact to be manageable. Such impact can preliminary be assessed at 1% to 1.25% of CET1 ratio<sup>7</sup>, based on the current agreement. This estimation is subject to the transposition of the international agreement in EU legal framework, the discretion of the macro prudential authority to mitigate the impact of different measures and the forthcoming structure of the balance sheet. In the event that the European authorities when transposing Basel IV were to deviate from this final agreement, this could have a significant impact on Belfius Bank’s solvency position. In the event that the separate discussions at the level of the Basel Committee on Banking Supervision regarding sovereign and public exposures were to lead to an agreement on these matters, this could also materially affect Belfius Bank’s capital requirements.

### *3.1.7. Belgian banking law*

On 25 April 2014, a new law on the status and supervision of credit institutions was adopted in Belgium (i.e. *Wet op het statuut van en het toezicht op kredietinstellingen / Loi relative au statut et au contrôle des*

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<sup>7</sup> CET 1 Capital / Risk-Weighted Assets



*établissements de crédit*) (the “**Belgian Banking Law**”). The Belgian Banking Law entered, subject to certain exceptions at that time (including in respect of its resolution regime), into force on 7 May 2014.

The Belgian Banking Law is based on the existing regulatory framework and implements into Belgian law (i) the CRD, as further explained in paragraph 8 (*Effective capital management and capital adequacy and liquidity requirements*) below, and (ii) the BRRD, as further explained in section 3.1.9 (*European Resolution Regime*) below. The Belgian Banking Law, however, has an impact that goes beyond the mere transposition of the aforementioned CRD and BRRD. This is, in particular, but not solely, due to (i) the increased regulatory attention to, and regulation of, corporate governance (including executive compensation), (ii) the need for strategic decisions to be pre-approved by the regulator, and (iii) the prohibition (subject to limited exceptions) of proprietary trading. In respect of the last point, since introduction, this prohibition did not have a material impact on the business of Belfius Bank as it is currently being conducted. The BRRD has been fully transposed into Belgian law in 2015.

The “**Lead Regulator**” (means in respect of Belfius Bank, the NBB, ECB or any successor entity primarily responsible for the prudential supervision of the Issuer) will need to pre-approve any strategic decision of any Belgian financial institution subject to the Belgian Banking Law (including the Issuer, and regardless of it being systemically important or not). For these purposes, strategic decisions include decisions having significance relating to each investment, disinvestment, participation or strategic cooperation agreement of the financial institution, including decisions regarding the acquisition of another institution, the establishment of another institution, the incorporation of a joint venture, the establishment in another country, the conclusion of cooperation agreement, the contribution of or the acquisition of a branch of activities, a merger or a demerger. The Lead Regulator will have the benefit of extensive discretionary power in this area.

It should be noted that (i) certain elements of the Belgian Banking Law require further detailed measures to be taken by other authorities, in particular the NBB, (ii) certain elements of the Belgian Banking Law will be influenced by further regulations (including through technical standards) taken or to be taken at European level, and (iii) the application of the Belgian Banking Law may be influenced by the recent assumption by the ECB of certain supervisory responsibilities which were previously handled by the NBB and, in general, by the allocation of responsibilities between the ECB and the NBB.

Finally, it should be noted that certain of the European initiatives (in particular the prohibition on proprietary trading) to be transposed into Belgian law pursuant to the Belgian Banking Law are still in draft form, or subject to political discussion, at the European level. Whilst the Belgian Banking Law contains powers to allow the government to conform the Belgian Banking Law to developments at a European level in certain areas through a royal decree, it cannot be ruled out that there will be differences between the regulatory regime promulgated by the relevant European directives and the regulatory regime of the Belgian Banking Law.

The Belgian Banking Law will also have to be further amended once the various amendments to CRR, CRD, BRRD and the SRM, which were proposed by the European Commission on 23 November 2016, are adopted in 2019 or later.

### **3.1.8. *Effective Capital Management and capital adequacy and liquidity requirements***

Effective management of Belfius Bank’s capital is critical to its ability to operate its businesses, to grow organically and to pursue its strategy of returning to standalone strength. Belfius Bank is required by regulators in EU and other jurisdictions in which it undertakes regulated activities to maintain adequate capital resources. The maintenance of adequate capital is also necessary for Belfius Bank’s financial flexibility in the face of continuing turbulence and uncertainty in the global economy.

In December 2010, the Basel Committee on Banking Supervision (the “**Basel Committee**”) reached agreement on comprehensive changes to the capital adequacy framework, known as “**Basel III**”. A revised version of Basel III was published in June 2011. The purpose was to raise the resilience of the banking sector by increasing both the quality and quantity of the regulatory capital base and enhancing the risk coverage of the capital framework.

In particular, Basel III introduced new eligibility criteria for common equity tier 1, additional tier 1 and tier 2 capital instruments with a view to raising the quality of regulatory capital, and increased the amount of regulatory capital that institutions are required to hold. Basel III also requires institutions to maintain a capital conservation buffer<sup>8</sup> comprised of CET 1 above the minimum capital ratios which, if not maintained, results in certain capital distribution constraints being imposed on these institutions (including Belfius Bank). The capital conservation buffer, to be comprised of common equity tier 1 capital, would result in an effective common equity tier 1 capital requirement of 7% of risk-weighted assets (i.e., its assets adjusted for their associated risks). In addition, Basel III directs national regulators to require certain institutions to maintain a counter-cyclical capital buffer<sup>9</sup> during periods of excessive credit growth, in addition to other buffers which may be applicable to global or domestically systemically important institutions. Basel III further introduced a leverage ratio for institutions as a backstop measure, to be applied from 2018 alongside current risk-based regulatory capital requirements. The changes in Basel III are contemplated to be phased in gradually between January 2013 and January 2022. Basel III has been introduced in the European Union through CRD IV.

CRD IV (consisting of CRD and CRR) applies since 1 January 2014 and imposes a series of new requirements, many of which are being phased in over a number of years. Certain portions of CRD have been transposed into Belgian law through the Belgian Banking Law and, although CRR applies directly in each Member State, CRR leaves a number of important interpretational issues to be resolved through binding technical standards, and leaves certain other matters to the discretion of national regulators. In addition, the ECB may, following the assumption of certain supervisory responsibilities, interpret CRD IV, or exercise discretion accorded to the regulator under CRD IV (including options with respect to the treatment of assets of other affiliates) in a different manner than the NBB. To the extent that Belfius Bank has estimated the indicative impact that CRD IV may have on the calculation of its risk-weighted assets and capital ratios, such estimates are preliminary and subject to uncertainties and change.

Basel III and CRD IV change the capital adequacy and liquidity requirements in Belgium and in other jurisdictions. The application of, amongst others, increasingly stringent stress case scenarios by the regulators may (i) require Belfius Bank to raise additional capital resources (including common equity tier 1, additional tier 1 capital<sup>10</sup> and tier 2 capital) by way of further issuances of securities, and (ii) result in existing tier 1 securities and tier 2 securities issued by Belfius Bank ceasing to count towards Belfius Bank's regulatory capital, either at the same level as present or at all. The requirement to raise additional tier 1 and tier 2 capital could have a number of negative consequences for Belfius Bank. If Belfius Bank is unable to raise the requisite capital, it may be required to further reduce the amount of its weighted risks.

Based on recent disclosure in MREL (as defined below) published by the SRB, Belfius mechanical target would potentially amount to 24.5% of risk exposure in fully loaded format. Including the market confidence charge<sup>11</sup> (equal to the combined buffer ratio less 125 bps), Belfius mechanical target would potentially amount to 27.25%.

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<sup>8</sup> The capital conservation buffer is a capital buffer of 2.5% of a bank's total exposures that needs to be met with an additional amount of Common Equity Tier 1 capital. The buffer sits on top of the 4.5% minimum requirement for Common Equity Tier 1 capital. Its objective is to conserve a bank's capital. When a bank breaches the buffer, automatic safeguards apply to limit the amount of dividend and bonus payments it can make.

<sup>9</sup> The countercyclical capital buffer (CCyB) is part of a set of macroprudential instruments, designed to help counter pro-cyclicality in the financial system. Capital should be accumulated when cyclical systemic risk is judged to be increasing, creating buffers that increase the resilience of the banking sector during periods of stress when losses materialise. This will help maintain the supply of credit and dampen the downswing of the financial cycle. The CCyB can also help dampen excessive credit growth during the upswing of the financial cycle.

<sup>10</sup> Additional Tier 1 Capital consists of capital instruments that are perpetual i.e. have no fixed maturity.

<sup>11</sup> The Market Confidence Charge MCC represents the amount necessary to ensure market participants have confidence in the resolved bank. As such, banks may, after the application of the bail-in tool, need to be able to absorb additional losses stemming from possible reorganization measures without immediately failing to meet minimum capital requirements again. The SRB set the level of the MCC in 2016 at the CBR less 125 basis points, taking into account the approach adopted by other resolution authorities in the EU.

On 23 November 2016, the European Commission proposed some further changes to the capital requirements rules, known as “**CRD V**”, which will implement the so-called “Basel IV” package. Under these proposals, the leverage ratio and the net stable funding ratio will become binding. Further changes are also proposed to the measurement of certain risks, including market risk and operational risk. Once implemented, these changes are expected to generally result in an increase of the capital requirements.

Any change that limits Belfius Bank’s ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of impairments and increases in weighted risks) or to access funding sources could have a material adverse impact on its financial condition and regulatory capital position or result in a loss of value in the Warrants.

### *3.1.9. European Resolution Regime*

The BRRD grants powers to resolution authorities that include (but are not limited to) the introduction of a statutory “write-down and conversion power” in relation to Tier 1 capital instruments and Tier 2 capital instruments and a “bail-in” power in relation to eligible liabilities (as defined in Article 2(1)(71) BRRD, i.e., the liabilities and capital instruments that do not qualify as common equity tier 1, additional tier 1 capital instruments or tier 2 capital instruments and that are not excluded from the scope of the bail-in power by virtue of Article 44(2) BRRD, which includes the senior notes). These powers allow the Lead Regulator to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities of a failing institution and/or to convert certain debt claims into another security, including ordinary shares of Belfius Bank or any other surviving group entity, if any. The “write-down and conversion” and “bail-in” powers are part of a broader set of resolution powers provided to the resolution authorities under the BRRD in relation to distressed credit institutions and investment firms. These resolution powers include the ability for the resolution authorities to force, in certain circumstance of distress, the sale of credit institution’s business or its critical functions, the separation of assets, the replacement or substitution of the credit institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including amending the maturity date, any interest payment date or the amount of interest payable and/or imposing a temporary suspension of payments) and/or discontinue the listing and admission to trading of debt instruments issued by the credit institution.

The Resolution Authority must write down or convert all Tier 1 capital instruments and Tier 2 capital instruments at the institution's or group’s point of non-viability (i.e., (i) the point at which the relevant authority determines that the institution or group meet the conditions for resolution or (ii) the relevant authority determines that the institution or group would cease to be viable (within the meaning of Article 251 of the Belgian Banking Law) if those capital instruments were not written down or converted or (iii) the institution seeks extraordinary public financial support). In addition, all Tier 1 capital instruments and the Tier 2 capital instruments must be written-down or converted before, or at least together with, the application of any resolution tool (including the exercise of the bail-in powers).

All the mandatory information pursuant to the articles 431 CRR is disclosed in our Annual Report and Semi-Annual Report, available on Belfius Bank’s website:

<https://www.belfius.com/EN/results/index.aspx>

<https://www.belfius.com/EN/reports/index.aspx>

### *3.1.10. Belgian bank recovery and resolution regime*

Under the Belgian bank recovery and resolution regime, the supervisory and resolution authorities, are able to take a number of measures in respect of any credit institution they supervise if deficiencies in such credit institution's operations are not remedied. Such measures include: the appointment of a special commissioner whose consent is required for all or some of the decisions taken by all the institution's corporate bodies; the imposition of additional requirements in terms of solvency, liquidity, risk concentration and the imposition of other limitations; requesting limitations on variable remuneration; the complete or partial suspension or

prohibition of the institution's activities; the requirement to transfer all or part of the institution's participations in other companies; replacing the institution's directors or managers; and revocation of the institution's licence, the right to impose the reservation of distributable profits, or the suspension of dividend distributions or interest payments to holders of additional tier 1 capital instruments.

Furthermore, the Lead Regulator can impose specific measures on an important financial institution (including the Issuer, and whether systemic or not) when the Lead Regulator is of the opinion that (a) such financial institution has an unsuitable risk profile or (b) the policy of the financial institution can have a negative impact on the stability of the financial system.

The Belgian Banking Law (which transposes BRRD) allows the Resolution Authority to take resolution actions (see section 3.1.9 (*European Resolution Regime*) above). Such powers include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a “bridge institution” (an entity created for that purpose which is wholly or partially in public control), (iii) separate assets by transferring assets to a bridge institution or one or more asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down.

In addition, since 1 January 2016, the Belgian Banking Law provides a "bail in" power to the Resolution Authority. Such bail-in power allows the Resolution Authority to write down or convert into shares or other proprietary instruments all or part of a credit institution's eligible liabilities in order to (i) recapitalise the credit institution to the extent it is sufficient to restore its ability to comply with its licensing conditions and to continue to carry out the activities for which it is licensed and to sustain sufficient market confidence in the institution, or (ii) convert or reduce the principal amount of debt instruments that are transferred to a bridge institution with a view to providing capital for that bridge institution or as part of a sale of the business or transfer of assets.

For the purpose of the Resolution Authority's bail-in powers, credit institutions (including Belfius Bank) must at all times meet a minimum requirement for own funds and eligible liabilities. This minimum requirement is an amount of own funds and eligible liabilities. The draft technical standards on the criteria for determining the minimum requirement for own funds and eligible liabilities do not provide details on the implications of a failure by an institution to comply with its minimum requirement for own funds and eligible liabilities (“MREL”) under the Directive 2014/59/EU of the European Parliament and of the Council, establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms, as set in accordance with Article 45 of such Directive (as transposed in article 459 of the Belgian Banking Law) and Commission Delegated Regulation (C(2016) 2976 final) of 23 May 2016, or any successor requirement. However, if the approach set out by the Financial Stability Board (the “FSB”) in respect of the total loss-absorbing capacity (a concept under which global systemically important banks (“G-SIBs”), are expected to be required to maintain a minimum amount of TLAC-eligible instruments that rank junior to certain priority liabilities (including deposits and derivatives), (“TLAC”)) is adopted in respect of MREL, then there is a possibility that a failure by an institution to comply with MREL could be treated in the same manner as a failure to meet minimum regulatory capital requirements. Accordingly, a failure by the Issuer to comply with its MREL requirement may have a material adverse effect on the Issuer’s business, financial condition and results of operations. For the time being, Belfius Bank is not a G-SIB as defined under the FSB TLAC Term Sheet and is therefore currently not subject to the FSB TLAC Term Sheet.

Any bail-in of eligible liabilities will only occur after, or at the same time as, the write-down or conversion of the Subordinated Debt by the Resolution Authority. Only where the exercise of these write-down and conversion powers is insufficient to meet the requirements of Article 267/6 of the Belgian Banking Law will the Resolution Authority exercise its bail-in powers by (i) writing-down or converting the principal amount of subordinated debts that do not constitute Tier 1 or Tier 2 capital instruments and (ii) to the extent such write-

down or conversion is insufficient, the principal amount of the remaining eligible liabilities (each time taking into account the priority of claims in insolvency proceedings).

The “write-down and conversion power” (see paragraph 3.1.9 (*European resolution regime*) above) has also been transposed in the Belgian Banking Law.

Subject to certain exceptions, as soon as any of these proceedings (included bail-in) have been initiated by the Resolution Authority, the relevant counterparties of such credit institution would not be entitled to invoke events of default or set off their claims against the credit institution. The Belgian Banking Law confirms that powers described above will not affect the financial collateral arrangements (including close-out netting and repo-transactions) subject to the Belgian law of 14 December 2004 on financial collateral (transposing Directive 2002/47/EC in Belgian law), although the mere fact that a recovery or resolution measure is taken by the Resolution Authority may not cause an event of default, give rise to any close-out or enforcement of security to the extent that the essential provisions of the agreement remain respected. In addition the protection of financial collateral arrangements provided for by the Belgian Banking Law is slightly broader than the regime set out in the BRRD (with the latter containing certain exceptions to the protection of such arrangements to the extent deposits that may be repayable by a deposit guarantee scheme are part of such arrangements) and as a consequence the Belgian Banking Law may need to be amended to provide for the same exceptions.

As indicated above, under the Belgian Banking Law, the powers of the supervisory and resolution authorities are significantly expanded. The implementation or a perceived increase in the likelihood of implementation by the supervisory and/or resolution authorities of any of their powers of intervention could have an adverse effect on the interests of the Warrant Holders.

## *3.2. Investment considerations relating to the businesses of Belfius Bank*

### *3.2.1. Business conditions and the general economy*

The Issuer’s profitability could be adversely affected by a worsening of general economic conditions domestically, globally or in certain individual markets such as Belgium. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example:

- an economic downturn or significantly higher interest rates could adversely affect the credit quality of Belfius Bank’s on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of Belfius Bank’s customers would be unable to meet their obligations;
- persistently negative and decreasing short term interest rates could impact Belfius Bank’s capacity to generate a sufficiently high level of revenues;
- a continued market downturn or further worsening of the economy could cause Belfius Bank to incur mark-to-market losses in some of its portfolios; and
- a continued market downturn would be likely to lead to a decline in the volume of transactions that Belfius Bank executes for its customers and, therefore, lead to a decline in the income it receives from fees and commissions and interest.

All of the above could in turn affect Belfius Bank’s ability to meet its payment obligations under the Warrants.

### *3.2.2. Current market conditions and recent developments*

Sustained actions by the monetary authorities in both the United States and the Eurozone have created the conditions necessary to achieve stability in the financial system and to permit the start and continuation of the economic recovery. By injecting money into the economy and by creating proper financing systems, by creating a banking union in the European Union and thanks to the regulatory requirements embedded within that banking

union the confidence in the stability of the financial systems has returned. However, financial institutions can still be forced to seek additional capital, merge with larger and stronger institutions and, in some cases, be resolved in an organised manner. The capital and credit markets have recently experienced an overall reduction in volatility. In some cases, this has resulted in upward pressure of stock and bond prices, and has also resulted in increased business and consumer confidence. The economy has left a period of distress and entered a phase of low economic growth and low interest rates. Due to the monetary policy pursued within the European Union interest rates have been pushed to extremely low and in some cases negative levels. While this is a factor that has contributed to the economic recovery, it has also strengthened the upward pressure that is exerted on the prices of some financial assets, like different types of bonds, real estate or even stocks. Should this policy be reversed then it cannot be excluded that this could lead to increased volatility in the financial markets and falling asset prices such that confidence gets lowered and business activity reduced which may materially and adversely affect the Issuer's business, financial condition and operational results, which could in turn affect the Issuer's ability to meet its payments under the Warrants.

### *3.2.3. Uncertain economic conditions*

Belfius Bank's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence; the state of the economies Belfius Bank does business in, market interest rates and other factors that affect the economy. Also, the market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other countries. There can be no assurance that current events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Warrants or that economic and market conditions will not have any other adverse effect. The profitability of Belfius Bank's businesses could, therefore, be adversely affected by a worsening of general economic conditions in its markets, as well as by foreign and domestic trading market conditions and/or related factors, including governmental policies and initiatives. An economic downturn or significantly higher interest rates could increase the risk that a greater number of Belfius Bank's customers would default on their loans or other obligations to Belfius Bank, or would refrain from seeking additional borrowing. As Belfius Bank currently conducts the majority of its business in Belgium, its performance is influenced by the level and cyclical nature of business activity in this country, which is in turn affected by both domestic and international economic and political events. There can be no assurance that a lasting weakening in the Belgian economy will not have a material adverse effect on Belfius Bank's future results.

### *3.2.4. A downgrade in the credit rating*

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 account 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 the 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.

### *3.2.5. Catastrophic events, terrorist attacks and other acts of war*

Catastrophic events, terrorist attacks, other acts of war or hostility, and responses to those acts may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which Belfius Bank operates and, more specifically, on the business and results of operations of Belfius Bank in ways that cannot be predicted.

### *3.2.6. The proposed financial transactions tax (FTT)*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). In December 2015, Estonia withdrew from the states willing to introduce the FTT.

The Commission's Proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in financial instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of financial instruments should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in financial instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. Therefore, it may be altered 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.

Prospective investors are strongly advised to seek their own professional advice in relation to the FTT.

### *3.2.7. Common reporting standard*

The exchange of information is to be governed by the Common Reporting Standard ("**CRS**"). On 15 January 2018, 98 jurisdictions 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 have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017 (early adopters).

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable

accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (“**DAC2**”), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

On 10 November 2015, the Council of the European Union adopted a Directive which repealed the EU Savings Directive with effect from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). This is to prevent overlap between the EU Savings Directive and the new automatic exchange of information regime provided under DAC2.

On 27 May 2015, Switzerland signed an agreement with the European Union in order to implement, as from 1 January 2017, an automatic exchange of financial information based on the CRS. This new agreement replaces the agreement on the taxation of savings that entered into force in 2005. If a payment were to be made or collected through a paying agent in certain third countries or dependent associated territories of certain Member States, and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Warrant as a result of the imposition of such withholding tax.

The Belgian government has implemented DAC2, respectively the Common Reporting Standard, pursuant to the law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the “**Law of 16 December 2015**”).

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other jurisdictions that have signed the MCAA, as of a date to be further determined by Royal Decree. In a Royal Decree of 14 June 2017, it was determined that the automatic provision of information has to be provided as from 2017 (for the 2016 financial year) for a first list of eighteen jurisdictions, and as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions.

Investors who are in any doubt as to their position should consult their professional advisers.

### **3.2.8. Change in accounting standards – IFRS 9**

Belfius Bank reports its results of operations and financial position in accordance with IFRS. The preparation of Belfius Bank’s financial statements requires management to make estimates and assumptions and to exercise judgment in selecting and applying relevant accounting policies, each of which may directly impact the reported amounts of assets, liabilities, income and expenses, to ensure compliance with IFRS. Some areas involving a higher degree of judgment, or where assumptions are significant to the financial statements, include the level of impairment provisions for loans and advances, retirement benefit obligations and deferred tax assets. If the judgments, estimates and assumptions used by Belfius Bank in preparing its consolidated financial statements differ from the actual results, there could be a significant loss beyond that anticipated or provided for, which could have a material adverse effect on Belfius Bank’s business, results of operations, financial condition and/or prospects.

Changes to IFRS or interpretations thereof may cause its future reported results of operations and financial position to differ from current expectations, or historical results to differ from those previously reported due to



the adoption of accounting standards on a retrospective basis. Such changes may also affect Belfius Bank's regulatory capital position and regulatory ratios by requiring the recognition of additional provisions for loss on certain assets. Belfius Bank monitors potential accounting changes and when these are finalised, it determines the potential impact and discloses significant future changes in its financial statements. Currently, there are a number of issued but not yet effective IFRS changes, as well as potential IFRS changes, some of which could be expected to impact Belfius Bank's reported results of operations, financial position and regulatory capital in the future. Where the application of IFRS requires a large element of judgment, the risk of incorrect judgments being made may be heightened where the IFRS standard concerned is recently introduced as there is an absence of a developed practice in its application.

Since 1 January 2018, Belfius applies the International Financial Reporting Standard (IFRS) 9 "Financial Instruments" replacing the International Accounting Standard 39 ("IAS 39"). IFRS 9 "Financial Instruments" was published in 2014 and combines all aspects of accounting for financial instruments: classification and measurement, impairment and micro hedge accounting. Belfius will apply this new standard for the consolidated accounts of Belfius Bank and Belfius Insurance.

According to IFRS 9, the classification and measurement of financial assets is based on both the entity's business model for managing the financial assets and the financial assets' contractual cash flow characteristics (the so-called SPPI-test, SPPI standing for "solely payments of principal and interest"). Belfius Bank and Belfius Insurance have opted for a "hold to collect" business model for the loans that comply with the SPPI test. Please note that within Belfius' current stock of loans, only certain structured loans to Public & Corporate Banking (PCB) clients do not comply with the SPPI criteria test and will thus be measured at fair value through P&L. Regarding the bond portfolio, Belfius Bank has opted, for the majority of the bonds, for a "hold to collect" business model, while Belfius Insurance will apply a mixed approach where part of the portfolio will be "hold to collect" and the other part "hold to collect and sale". Please note that only a limited number of bonds within Belfius' current stock do not comply with the SPPI criteria, and thus need to be measured at fair value through P&L.

New impairment rules under IFRS 9 replaces the current incurred loss model of IAS 39 by an expected credit loss model. The IFRS 9 impairment rules requires an impairment allowance for all financial assets that are measured at amortised cost and fair value through other comprehensive income, for all loan commitments, for all financial guarantees not recognised at fair value and for all lease receivables. The changes in these allowances are reported in profit and loss. For most such assets, the impairment allowance is measured as the expected credit losses projected over the next twelve months. The allowance remains based on the expected losses over the next twelve months unless there is a significant increase in credit risk. If there is a significant increase in credit risk, the allowance is measured as the expected credit losses projected for the instrument over its full lifetime. If the credit risk significantly recovers, the allowance can once again be limited to the projected credit losses over the next twelve months. Belfius has identified all the necessary elements to adjust the current impairment methodology/calculation engine to the new requirements of IFRS 9, and the Board of Directors of 16 November 2017 has validated all material aspects of the new impairment rules which are applicable since 1 January 2018 onwards.

Hedge accounting under IFRS 9 aligns more to the risk management policies of entities than under IAS 39. It expands the definition for non-derivative financial instruments and can now also include nonfinancial assets as hedging instruments. IFRS 9 does not address macro hedge accounting, and allows entities to continue with IAS 39 for such hedges. Belfius will continue to apply the requirements of IAS 39, as most of the hedges held by Belfius are qualified as macro hedges.

The implementation of IFRS 9 as of 1 January 2018 had a negative impact on the net asset value of EUR 67 million, mainly stemming from the impact of the new impairment calculation methodology which was, however, partially offset by the reversal of the net negative available-for-sale reserve for those bonds which will be within a "hold to collect" business model. Furthermore, the implementation has a slightly positive impact (around 30 basis points) on Belfius' solvency ratios. The impacts of the first time application of IFRS 9 are

recognised in equity which impacts the regulatory capital. Other impact can also be noted on risk exposures due to impacts on balance sheet exposure amounts from reclassifications.

The impact relates mainly to the reversal of the available-for-sale reserve and the frozen available-for-sale reserve as Belfius has opted for a “hold to collect” business model for the majority of debt instruments.

The impact on regulatory risk exposures is twofold:

- an increase on the portfolio hedge; and
- a decrease following lower exposures after reclassification and remeasurement on certain assets.

This increase of regulatory risk exposure was partially offset by lower exposures on certain assets. As the majority of the debt instruments are held in a “hold to collect” business model, the exposure on which risk-weighted asset (RWA) is calculated decreased as the fair value revaluation is no longer taken into account.

### *3.2.9. A substantial part of Belfius Bank’s assets are encumbered*

Like every credit institution, a non-negligible part of the Issuer’s assets are collateralised (by means of an outright pledge<sup>12</sup>, repo transaction<sup>13</sup> or otherwise). The amount of assets pledged is linked to the funding granted by external parties who demand collateral to mitigate the potential risk on the Issuer.

Belfius Bank established in November 2012 a Belgian Mortgage Pandbrieven Programme and in October 2014 a Belgian Public Pandbrieven Programme. Both programmes are licensed by the NBB and each can issue Belgian pandbrieven for a maximum amount of EUR 10,000,000,000. In accordance with the law of 3 August 2012 establishing a legal regime for Belgian covered bonds, the investors of pandbrieven benefit from a dual recourse, being an unsecured claim against the general estate of Belfius Bank and an exclusive claim against the relevant special estate of Belfius Bank: one special estate for the mortgage pandbrieven and another special estate for the public pandbrieven. However, the Warrant Holders may not exercise any rights against or attach any assets of the special estates as they are reserved for the holders of pandbrieven. A credit institution cannot issue any further Belgian covered bonds if the amount of cover assets exceeds 8% of the issuing credit institution’s total assets.

The special estate in relation to the Belgian Mortgage Pandbrieven Programme is mainly composed of residential mortgage loans and the special estate in relation to the Belgian Public Pandbrieven Programme is mainly composed of loans to Belgian public sector entities. The value of the assets, contained in the relevant special estate, need to be in proportion with the nominal amount of issued pandbrieven under such programme (in accordance with applicable law and issue conditions). Only pandbrieven investors and other creditors, which can be identified based on the pandbrieven issue conditions, have a claim on the relevant special estate.

Finally, it should be noted that the Belgian Banking Law introduced (i) a general lien on movable assets (“*algemeen voorrecht op roerende goederen*”/“*privilège général sur biens meubles*”) for the benefit of the deposit guarantee fund (“*garantiefonds voor financiële diensten*”/“*fonds de garantie pour les services financiers*”) as well as (ii) a general lien on moveable assets for the benefit of natural persons and SMEs for deposits exceeding EUR 100,000. Such general liens could have an impact on the recourse that any Warrant Holders would have on the general estate of Belfius Bank in the case of an insolvency as the claims which benefit from such general liens will rank ahead of the claims of the Warrant Holders.

### *3.2.10. Bail-in of senior debt and other eligible liabilities, including the Warrants*

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<sup>12</sup> A transaction whereby a security interest in the form of a pledge is created over certain assets of the Issuer; in case of non-compliance by the Issuer with its obligations, the beneficiary of such pledge may enforce the pledge by way of a forced sale, appropriation, or otherwise.

<sup>13</sup> “Repo” is a generic name for both repurchase agreements and sell/buy-backs. In a repo, one party sells an asset (usually fixed-income securities) to another party at one price at the start of the transaction and commits to repurchase the fungible assets from the second party at a different price at a future date or (in the case of an open repo) on demand.

Given the entry into force of the bail-in regime, the Warrant Holders may lose some or all of their investment as a result of the exercise by the Resolution Authority of the “bail-in” resolution tool.

Following the transposition of the BRRD bail-in regime into Belgian law as of 1 January 2016, the Resolution Authority has the power to bail-in (i.e. write down or convert) more subordinated debt, if any, and senior debt (including contingent liabilities such as the Warrants), after having written down or converted Tier 1 capital instruments and Tier 2 capital instruments. The bail-in power will enable the Resolution Authority to recapitalise a failing institution by allocating losses to its shareholders and unsecured creditors (including the Warrant Holders) in a manner which is consistent with the hierarchy of claims in an insolvency of a relevant financial institution. The bail-in power includes the power to cancel a liability or modify the terms of contracts for the purposes of deferring the liabilities of the relevant financial institution and the power to convert a liability from one form to another.

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

- (a) the determination that Belfius Bank is failing or is likely to fail has been made by the relevant regulator, which means that one or more of the following circumstances are present:
  - (i) Belfius Bank infringes or there are objective elements to support a determination that Belfius Bank will, in the near future, infringe the requirements for continuing authorisation in a way that would justify the withdrawal of the authorisation by the competent authority, including but not limited to because Belfius Bank has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;
  - (ii) the assets of Belfius Bank are or there are objective elements to support a determination that the assets of Belfius Bank will, in the near future, be less than its liabilities;
  - (iii) Belfius Bank is or there are objective elements to support a determination that Belfius Bank will, in the near future, be unable to pay its debts or other liabilities as they fall due;
  - (iv) Belfius Bank requests extraordinary public financial support,
- (b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action taken in respect of Belfius Bank would prevent the failure of Belfius Bank within a reasonable timeframe; and
- (c) a resolution action is necessary in the public interest.

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

#### Insolvency ranking in Belgium:

Warning: Belgian law is marked by a complex system of statutory liens based upon the Mortgage Act and numerous other statutes creating specific classes of creditors, as well as security interests granted by the debtor (mortgage, pledge, charge). Due to this complex system, conflicts of ranking between creditors often arise. Ranking agreements between secured creditors are valid and common (just like subordination agreement on the other end of the hierarchy). Ranking amongst secured and special lien creditors varies depending on the modalities (composition of the estate, composition of the liabilities, date, etc.) of the case. As a consequence, the creditor hierarchy may vary from case to case. The below hierarchy is an indication and may not be construed as a universally valid ranking of creditors.

Common Equity Tier 1
Additional Tier 1
Tier 2 + other Subordinated Liabilities
Non Preferred Senior Unsecured Instruments <i>(art. 389/1, 2° Belgian Banking Law 25 April 2014)</i>
Other Preferred Senior Unsecured Liabilities
Derivatives
Deposits Large Enterprises (>100,000 EUR)
Deposits SME and Physical Persons (>100,000 EUR)
Covered Deposits (<100,000 EUR)
Secured Liabilities

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### *3.3. Risks related to the Warrants generally*

#### *3.3.1. Warning: Warrants may not be a suitable investment for all investors*

Warrants involve a high degree of risk and investors must be prepared to sustain a total loss of the purchase price of their Warrants. The occurrence of fluctuations or the non-occurrence of anticipated fluctuations in the price of the Underlying Value will disproportionately affect the value of the Warrants and may lead to the Warrants expiring worthless.

Purchasers of Warrants risk losing their entire investment if the Underlying Value does not perform as anticipated. Further risks may include, among others, interest rate, foreign exchange, time value and political risks. A Warrant is an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires. Prospective purchasers of Warrants should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Warrants and should reach an investment decision only after careful consideration, with their financial and tax advisers, of the suitability of such Warrants in light of their particular financial circumstances.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realize a return upon his or her investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the share underlying the Warrants. Assuming all other factors are held constant, the more a Warrant is 'out-of-the-money' (i.e. a call option with a strike price that is higher than the market price of the underlying asset) and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment.

In addition, investors should consider that the return on the investment in Warrants is reduced by the costs in connection with the purchase and exercise or sale of the Warrants.

The Warrants do not entitle the Warrant Holders to receive a coupon payment or dividend yield and therefore do not constitute a regular source of income. Possible losses in connection with an investment in the Warrants can therefore not be compensated by other income from the Warrants. Further to this, the investor bears the risk that the financial situation of the Issuer declines - or that insolvency or bankruptcy proceedings are instituted against the Issuer - and that as a result the Issuer cannot fulfill its payment obligations under the Warrants.

The Warrant has a leverage effect. This means that any variation in the price of the Underlying Value is in theory amplified. Therefore, the Warrants involve a high degree of risk. The leverage effect, means that the investment of an amount in Warrants compared to a direct investment of the same amount in the Underlying Value may result in significantly higher gains but also in significantly higher losses. The (non-)occurrence of anticipated fluctuations in the price of the Underlying Value may disproportionately affect the value of Warrants. Warrants may expire worthless if the Underlying Value does not perform as anticipated. If not exercised in accordance with the Terms and Conditions during the Exercise Period, a Warrant will become void and expire worthless. In order to recover and realize a return upon its investment, a Warrant Holder must be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Value. Warrant Holders should also consider that the return on the investment in Warrants is reduced by the costs in connection with the purchase, exercise and/or sale of the Warrants. The loss born by the Warrant Holder is limited to the original premium paid to acquire the Warrants. Such premium is paid by the employer not by the employee who has accepted the offer of the Warrants. Employees receive Warrants for no consideration.

A Warrant's leverage effect is determined by applying the following formula:

$$\text{(Leverage} = \frac{\partial P}{\partial S} \times \frac{S}{P})$$

where:

S = the price of the Underlying Value

P = the value of the Warrant

The ratio  $\partial P/\partial S$ , which is called the Delta of the Warrant, is the degree to which the Warrant changes value divided by the degree to which the Underlying Value changes value.  $\partial P/\partial S$  is not a constant, and the ratio changes throughout the term of the Warrant.

As and when the leverage effect approaches 1, a Warrant behaves more and more like the Underlying Value, and the risk associated with the Warrant is therefore almost the same as the risk associated with retaining that Underlying Value. The above formula reveals that the leverage tends towards 1 if the Delta of the Warrant,  $\partial P/\partial S$ , and S/P tend towards 1. Both ratios move towards 1 as and when, among other things, the Warrant's term gets longer and therefore the Warrant's initial time value rises.

The Warrants issued by Belfius Bank have a long term. The unavoidable consequence of this is that the initial leverage effect of the Warrant is significantly higher than 1. That also remains so for a large part of the lifetime of the Warrant.

### *3.3.2. The influence of trading or hedging transactions of the Issuer on the Warrants*

The Issuer may in the course of its normal business activity engage in trading in the Underlying Value. In addition, the Issuer may conclude transactions in order to hedge itself partially or completely against the risks associated with the issue of the Warrants. These activities of the Issuer may have an influence on the market price of the Warrants. A possibly negative impact of the conclusion or dissolution of these transactions on the value of the Warrants cannot be excluded.

### *3.3.3. Hedging against the market risk*

Due to fluctuating supply and demand for the Warrants, there is no assurance that their value will correlate with movements of the Underlying Value. Prospective purchasers intending to purchase Warrants to hedge against the market risk associated with investing in the Underlying Value should recognize the complexities of utilizing Warrants in this manner. For example, the value of the Warrants may not exactly correlate with the value of the Underlying Value.

### *3.3.4. Adjustments*

In relation to the terms and conditions of the Warrants, events relating to the Underlying Value may bring about adjustments to such terms and conditions which may vary from those made by the organized derivatives markets.

### *3.3.5. Liquidity Risk*

There is no assurance that an active trading market for the Warrants will develop. Neither is it possible to predict the price at which Warrants will trade in the secondary market or whether such market will be liquid or illiquid.

The Issuer may, but is not obliged to, list Warrants on an Exchange or MTF. No application is made to list the Warrants on an Exchange.

The Warrants can be freely transferred to any third party, except that (i) they may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons, and (ii) that they may not be transferred by a Warrant Holder to its employer.

### *3.3.6. Potential conflicts of interest*

The Issuer may also engage in trading activities (including hedging activities) related to the Underlying Value and other instruments or derivative products based on or related to the Underlying Value for its proprietary account or for other account under its management. The Issuer may also issue other derivative instruments in respect of the Underlying Value. The Issuer may also act as underwriter in connection with future offerings of the Underlying Value or other securities related to the Underlying Value or may act as financial adviser to certain companies or in a commercial banking capacity for certain companies. Such activities could present certain conflicts of interest, could influence the prices of the Underlying Value or other securities referring to the

Underlying Value and could adversely affect the value of such Warrants. In case the Calculation Agent should make determinations and calculations in respect of the Warrants, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner, but not necessarily in the interest of the Warrant Holder.

### *3.3.7. Post-issuance information*

The relevant Final Terms may specify that the relevant Issuer will not provide post-issuance information in relation to the Underlying Value. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

### *3.3.8. Change of law*

The Terms and Conditions of the Warrants are, save to the extent referred to therein, based on Belgian law in effect as at the date of issue of the relevant Warrants. 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 issue of the relevant Warrants. Investors should note that the provisions of the Terms and Conditions contain certain provisions dealing with a change of law. Such provisions will be applied, in accordance with the law in force at the relevant time.

In addition, any relevant tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Warrants may change at any time (including during any subscription period or the Exercise Period of the Warrants). Any such change may have an adverse effect on a Warrant Holder, including that (i) the Warrants may be cancelled before their Maturity Date due to whatsoever change of law resulting in the Issuer no longer being legally entitled to execute its obligations arising from this Base Prospectus and the relevant Final Terms, (ii) the liquidity of the Warrants may decrease, and/or (iii) the tax treatment of amounts payable or receivable by or to an affected Warrant Holder may be less than otherwise expected by such Warrant Holder.

### *3.3.9. Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to 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 Warrants are legal investments for it.

## 4. CHOICES MADE BY THE ISSUER

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According to article 5(4) of Directive 2003/71/EC, the Issuer has chosen to issue Warrants under a base prospectus. The specific terms of each Tranche will be set forth in the applicable Final Terms. In addition, the Issuer chooses as its home Member State the Kingdom of Belgium.

The Issuer has freely defined the order in the presentation of the required items included in the schedules and building blocks of the Commission Regulation (EC) n°809/2004 of 29 April 2004 implementing Directive 2003/71/EC as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (herein referred to as “**Regulation (EC) 809/2004**”) according to which this Base Prospectus is drawn up. The chosen presentation is a consequence of the combination of Annex IV, Annex XII and Annex XIV of Regulation (EC) 809/2004. In order to enable the Warrant Holders to identify in the presentation below the corresponding provisions of Regulation (EC) 809/2004, cross-references will be made to the relevant annexes of Regulation (EC) 809/2004 and their subsections. Finally, any items which do not require, in their absence, an appropriate negative statement according to Regulation (EC) 809/2004, are not included in the presentation when the Issuers so determine.



# 5. RESPONSIBILITY STATEMENT

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**(Annex IV.1 and XII.1 of Regulation (EC) 809/2004)**

Belfius Bank SA/NV, with registered office at 1210 Brussels, Place Charles Rogier 11, Belgium, as Issuer, accepts responsibility for the information given in the Base Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## 6. DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the audited consolidated accounts of Belfius Bank for the years ended 31 December 2016 and 31 December 2017, including the reports of the statutory auditors in respect thereof, as well as the unaudited half-yearly report for the period ending 30 June 2018 (the “**Half-Yearly Report 2017**”)(available on <https://www.belfius.com/EN/results/index.aspx>), which are incorporated by reference in this Base Prospectus; and
- (b) the prospectus of the Underlying Value, which is attached to this Base Prospectus as Annex 3.

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

Copies of all documents incorporated by reference in this Base Prospectus may be obtained without charge from the offices of Belfius Bank and on its website (<https://www.belfius.be/>).

The tables below set out the relevant page references for: the (i) consolidated balance sheet, (ii) consolidated statement of income, (iii) consolidated cash flow statement, (iv) audit report on the consolidated accounts, (v) notes to the consolidated financial statements, (vi) non-consolidated balance sheet, (vii) non-consolidated statement of income, and (viii) audit report on the non-consolidated accounts of Belfius Bank as set out in the 2016 and 2017 Annual Reports of Belfius Bank.

Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only, and does not form part of this Base Prospectus.

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

	<b>Belfius Bank SA/NV</b>		
	<b>Annual Report 2016</b>	<b>Annual Report 2017</b>	<b>Half-Yearly Report 2018</b>
	<b>(English version)</b>	<b>(English version)</b>	<b>(unaudited – condensed)</b>
	<b>audited</b>	<b>audited</b>	
consolidated balance sheet	96	132	62
consolidated statement of income	98	134	66
consolidated statement of comprehensive income	99	135	68
consolidated statement of change in equity	100	136	70
consolidated cash flow statement	104	141	76
audit report on the consolidated accounts	222	278	N/A

notes to the consolidated financial statements	105	142	79
non-consolidated balance sheet	226	288	N/A
non-consolidated statement of income	229	291	N/A
audit report on the non-consolidated accounts	232	294	N/A

# 7. BELFIUS BANK SA/NV

(Annex IV of Regulation (EC) 809/2004)

## 7.1. Belfius Bank profile

Belfius Bank SA/NV (the “**Issuer**” or “**Belfius Bank**”) is a public limited 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.

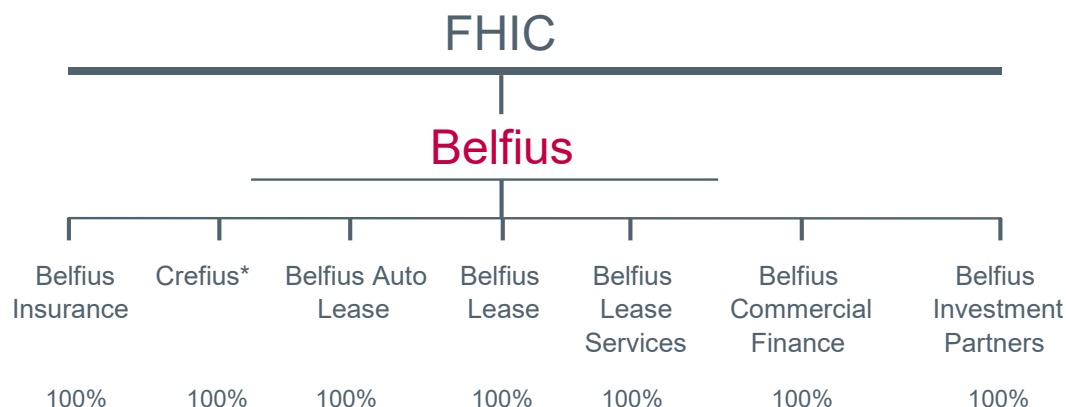
The share capital of Belfius Bank is three billion, four hundred and fifty-eight million, sixty-six thousand, two hundred and twenty-seven euros and forty-one cents (EUR 3,458,066,227.41) and is represented by 359,412,616 registered shares. The shareholding of Belfius Bank is as follows: 359,407,616 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.

Within the framework of the governmental agreement announced in July 2017, the Federal Government has given Belfius the green light to prepare a partial privatisation of Belfius by way of an initial public offering (IPO) of a minority stake of the bank (up to 49%). The effective ‘execution’ of the IPO, is however, still subject to approval by the Belgian State. Recently the Federal government decided, in close consultation with the Federal Holding and Investment Company (FHIC), that the IPO would be postponed due to the current unfavourable market conditions. The Federal government declared that it will reassess, on a frequent basis and together with FHIC and Belfius’ Board and Management, this matter.

At the end of June 2018, total consolidated balance sheet amounted to EUR 167 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 “of and 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.

### Simplified Group structure as at the date of this Base Prospectus



\* Crefius is involved in granting and managing mortgages loans

Belfius and its consolidated subsidiaries are referred to herein as “**Belfius**”

## *7.2. Main commercial subsidiaries*

### ***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 June 2018, total consolidated balance sheet of Belfius Insurance amounted to EUR 21 billion<sup>14</sup>.

### ***Crefius***

Company servicing and managing mortgage loans. At the end of June 2018, total balance sheet of Crefius amounted to EUR 40 million<sup>15</sup>.

### ***Belfius Auto Lease***

Company for operational vehicle leasing and car fleet management, maintenance and claims management services. At the end of June 2018, total balance sheet of Belfius Auto Lease amounted to EUR 322 million<sup>16</sup>.

### ***Belfius Lease***

Company for financial leasing and renting of professional capital goods. At the end of June 2018, total balance sheet of Belfius Lease amounted to EUR 798 million<sup>17</sup>.

### ***Belfius Lease Services***

Financial leasing and renting of professional capital goods to the self-employed, companies and liberal professions. At the end of June 2018, total balance sheet of Belfius Lease Services amounted to EUR 1988 million<sup>18</sup>.

### ***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 June 2018, total balance sheet of Belfius Commercial Finance amounted to EUR 994 million<sup>19</sup>.

### ***Belfius Investment Partners***

Company for administration and management of funds. At the end of June 2018, total balance sheet of Belfius Investment Partners amounted to EUR 149 million<sup>20</sup>.

## *7.3. Results 2017*

In 2017, Belfius recorded a net income group share of EUR 606 million, against EUR 535 million in 2016, up 13.1%. The bank's contribution to the consolidated net income 2017 amounted to EUR 435 million (compared to EUR 335 million in 2016) and the insurance group's contribution to EUR 171 million (compared to EUR 201 million in 2016).

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<sup>14</sup> For more details, see the annual report 2016 of Belfius Insurance.

<sup>15</sup> Total IFRS balance sheet before consolidation adjustments

<sup>16</sup> Total IFRS balance sheet before consolidation adjustments

<sup>17</sup> Total IFRS balance sheet before consolidation adjustments

<sup>18</sup> Total IFRS balance sheet before consolidation adjustments

<sup>19</sup> Total IFRS balance sheet before consolidation adjustments

<sup>20</sup> Total IFRS balance sheet before consolidation adjustments

In a challenging interest rate environment, Belfius continues to realise very good performances. The excellent result reflects the continued successful implementation of the bank-insurance model and the strong growth of commercial volumes despite significant deferred tax reassessment (EUR -106 million) due to the decrease of the corporate income tax rate as from 2018 onwards.

The result also benefitted from efficient financial management and strict cost containment, despite important investments in innovation and strategic priorities like digitalisation. Higher income (+4%) and stable costs (+0.2%) lead to a cost to income ratio that further improved to 58.1%, compared to 60.5% at year-end 2016. Cost of risk amounted to EUR 33 million in 2017 against EUR 116 million in 2016. Net income before tax stood at EUR 963 million, up EUR 183 million or 23.5% compared to 2016. Tax expense, including deferred taxes, amounted to EUR 357 million in 2017 compared to EUR 244 million in 2016. This increase is mainly driven by the reassessment of (net) deferred tax assets following the Belgian corporate income tax reform enacted before year-end 2017, whereby the nominal corporate income tax rate will gradually decrease from 33.9% to 25% by 2020. This resulted in an additional tax expense for the banking group of EUR 64 million and EUR 42 million for the insurance group.

As a result, Belfius net income group share amounted to EUR 606 million following the Belgian corporate income tax reform for 2017, compared to EUR 535 million in 2016.

At the end of December 2017, total equity amounted to EUR 9.5 billion, against EUR 9.0 billion as of 31 December 2016

The CET1 ratio (phased in) was 16.1% at 31 December 2017 compared to 16.6% at 31 December 2016. The CET1 ratio (fully loaded) was 15.9% at 31 December 2017 compared to 16.1% at 31 December 2016.

The total capital ratio (phased in) amounted to 18.6% at the end of 2017 against 19.4% at the end of 2016. The total capital ratio (fully loaded) amounted to 18.1% at the end of 2017 against 18.4% at the end of 2016.

At the end of 2017, regulatory risk exposure (phased in) of Belfius amounted to EUR 50,620 million, an increase of EUR 3,890 million compared to EUR 46,730 million at the end of 2016. Risk-weighted exposure also stems from the Danish Compromise, whereby the capital instruments issued by Belfius Insurance and held by Belfius Bank are included in the regulatory risk exposure via a weighting of 370%.

At the end of 2017, the Belfius leverage ratio (phased in) – based on the current CRR/CRD IV legislation – stood at 5.6%. The leverage ratio (fully loaded) stood at 5.5%.

#### Minimum CET1 requirements (SREP)

Based on the most recent “Supervisory Review and Evaluation Process” (SREP), Belfius must comply for 2018 with a minimum CET 1 ratio (phased in) of 10.125%, which is composed of:

- a Pillar 1 minimum of 4.5%;
- a Pillar 2 Requirement (P2R) of 2.25%;
- a capital conservation buffer (CCB) of 1.875%; and
- a O-SII buffer) of 1.5%.

Note that the ECB has also notified Belfius of a Pillar 2 Guidance (P2G) of 1% CET 1 ratio for 2018.

Based upon the phasing in of the Capital Conservation Buffer which will increase from 1.875% in 2018 to 2.5% in 2019 and all other things remaining equal (including, for the avoidance of doubt, Belfius’ P2R which may or may not remain the same), this will lead to a 10.75% fully loaded minimum CET1 requirement for 2019.

In addition, Belfius Bank must take into account a 0.5% shortfall in Additional Tier 1 instruments, which brings the effective fully loaded minimum CET1 ratio requirement to 11.25%.

Further to these regulatory requirements, Belfius has set, under current market conditions and applying the current legislation, a minimum operational CET 1 ratio of 13.5% on solo and consolidated levels. This ratio has

as a purpose to safeguard the capacity of Belfius to pay a dividend and to decide independently a dividend policy under financial stress situations. Moreover, Belfius works currently with a CET1 ratio target that lies 2% higher than this minimum operational level to take into account unforeseen elements. Belfius wishes to manage its solvability in normal and stable circumstances in line with this target ratio, unless the buffer, as mentioned above, (partially or completely) has been used and on the condition that the legislations for consolidated and statutory solvency ratios do not change substantially.

#### *7.4. Results 1H 2018*

Belfius' Net Income before tax 1H 2018 stands at EUR 473 million, up 6% from 1H 2017. The bank contributed EUR 274 million and the insurer EUR 199 million.

Solid growth of the net income before tax is compensated by an increase of tax expenses, hence leading to net income of EUR 335 million in 1H 2018, i.e. 7% down compared to a net income of EUR 361 million in 1H 2017.

Further growing commercial franchise and efficient financial management continue to support the profit capacity of Belfius:

- Resilient Net interest income of the bank despite low interest rate environment.
- Stable Fee & Commission income of the bank thanks to successful profit diversification and bancassurance strategy.
- Cost containment programs well on track, even in light of accelerating investments in both the digitalization of financial services in Belgium and in people to support the commercial growth, leading to operating costs of EUR 690 million and to a C/I ratio of 58.8%.
- Sound risk management and good credit quality of the portfolios continue to translate into historically low cost of risk (EUR 9 million in 1H 2018 vs. EUR 24 million in 1H 2017), which further benefited from the sale of some Italian government bonds in 1H 2018.

Belfius continues to demonstrate solid solvency levels: 16.3% CET 1 Fully Loaded at consolidated level and 210% Solvency II ratio for Belfius Insurance.

Net asset value at EUR 9.4 billion, slightly below end 2017 level, as remaining part of FY 2017-dividend has been paid in April 2018.

Belfius' Board of Directors of 8 August 2018 decided to pay an interim dividend, relative to 1H 2018 results, of EUR 100 million to the Belgian State.

#### *7.5. Segment reporting*

Analytically, Belfius splits its activities and accounts in three segments: Retail and Commercial (RC), Public and Corporate (PC) and Group Center (GC); with RC and PC containing the key commercial activities of Belfius.

- **Retail and Commercial (RC)**, managing the commercial relationships with individual customers and with small & medium sized enterprises both at bank and insurance level;
- **Public and Corporate (PC)**, managing the commercial relationships with public sector, social sector and corporate clients both at bank and insurance level;
- **Group Center (GC)** containing the residual results not allocated to the two commercial segments. This mainly consists of results from bond and derivative portfolio management. Note that as from 1 January 2017, Belfius integrated the former Side segment into Group Center.

##### *7.5.1. Retail and Commercial (RC)*

Belfius Bank is the number two bank-insurer in Belgium with approximately 3.6 million retail and commercial customers served through 661 branches, the new ‘remote’ advice and sales centre “Belfius Connect”, and a large number of automatic self-banking machines. Belfius Bank is also a leader in the mobile banking space, with over 1 million active mobile users, the highest mobile banking penetration amongst Belgian banks. Belfius Bank offers individuals, self-employed persons, the liberal professions and small and medium-sized enterprises (“SMEs”) a comprehensive range of retail, commercial and private banking and insurance products and services. Its ambition is to offer all basic banking and insurance products through the mobile, paperless, end-to-end and real-time channels by 2020.

Belfius Insurance offers insurance products to retail and commercial customers through the Belfius Bank branch network, as well as through the tied agents network of DVV insurance. It also offers insurance products through Corona Direct Insurance, a direct insurer active via the Internet and “affinity partners”, which are external parties with which Corona collaborates and which offer Corona insurance products. Belfius Insurance’s business model is increasingly focused on bank-assurance, with Belfius Bank branches being the channel with the highest growth. Belfius Insurance has also integrated the Elantis brand, which offers mortgage loans and consumer loans through independent brokers, for the balance sheet of Belfius Insurance, Belfius Bank and a third party bank.

Belfius Insurance is the sixth largest insurer in Belgium, focusing mainly on the retail market.

### **Strategy**

In 2015, Belfius launched its Belfius 2020 strategy for Retail and Commercial, which is focused on achieving four ambitions by 2020:

- to progress from customer satisfaction (95% for 2017) to customer recommendation (i.e., committed customers who are prepared to recommend Belfius.);
- to further develop a differentiated and digitally supported business model, with an ideal balance between qualitative relationship management on the one hand, and efficient, user-friendly direct channels on the other. Two complementary omni-channel approaches are being developed for that purpose:
  - an approach with a digital and remote-access focus geared towards retail customers combined with value-added branch interactions at key life moments for customers; and
  - an approach with account management focus geared towards privileged, private and business customers supported by convenient digital and remote-access tools;
- to increase the dynamic market share in core products to a minimum of 15%.; and
- to further implement Belfius’ continued focus on processes with value added for Belfius’ customers, with a reduction in the cost to income ratio

In order to achieve these aims, Belfius is implementing several initiatives across Retail and Commercial:

- a more granular sub-segmentation of the customer base with appropriately designed value propositions for each of them;
- an accelerated digital transformation to enable client convenient direct sales of the ten most important bank and insurance products, supported by in-depth customer knowledge via data analysis, the principle of mobile first and paperless sales transactions supported by digital tools and services for the account manager;
- an innovative distribution strategy with a customer oriented approach which is becoming more omni-channel in every aspect. In the future, branches will concentrate even more on proactive advice for the privileged, private and business customer segments. Information, service and sales for retail customers will increasingly be conducted through digital and remote-access channels. Belfius Connect, a new “remote” advice and sales centre, ensures better commercial accessibility for customers by satisfying their needs from early in the morning to late into the evening; and
- the further development of an all-in property offer (via Belfius Immo, a subsidiary of Belfius) and the development of Belfius Investment Partners, a specialised subsidiary of Belfius that manages



investment funds for the purpose of completing the investment products offering of Belfius for Retail and Commercial customers.

The management of Belfius believes that this strategy enables Belfius to continue its revenue diversification and expansion, driven by the momentum in fee and commission income, through increased cross-selling. By more effectively cross-selling its banking and insurance products, resulting in a higher customer equipment rate, Belfius also targets an increased sales productivity and increasing direct sales of value-adding products..

### ***RC commercial performance in 1H 2018***

The commercial activity continues to show excellent dynamics. Belfius enjoys a strong growth in total savings and investments of EUR 2.1 billion in 1H 2018, amounting to EUR 106.5 billion thanks to strong organic growth in non-maturing products.

On-balance sheet deposits totaled EUR 66.2 billion on 30 June 2018, up +4.0% from the end of 2017. There was very good growth in the funds deposited in current and savings accounts, which reached EUR 13.0 billion (+11.8%) and EUR 42.6 billion (+2.8%) respectively at the end of June 2018. Less customer funds found their way to long-term fixed rate investments, resulting in a drop of 4.2% for savings certificates to an amount of EUR 2.2 billion. The less favorable stock markets and the further evolved MIFID regulation lead to a change in product mix with more non-maturing deposit products versus fewer asset management products.

Off-balance sheet investments went slightly down by 0.8% in 1H 2018, compared to the end of 2017, to EUR 30.1 billion, mainly due to unfavorable market conditions.

Life insurance reserves for investment products amounted to EUR 10.2 billion, down 1.4% compared to the end of 2017. Investments in Branch 21 life insurance guaranteed products decreased because of the low interest rates, but that drop was partially offset by a strong increase in Branch 23 and Branch 44 products.

Total loans to customers rose strongly to EUR 46.5 billion at the end of June 2018. The increase occurred mainly in consumer loans (+10.7%) and business loans (+5.0%). Mortgage loans, which account for two thirds of all loans in this segment, amounted to EUR 31.2 billion at the end of June 2018 and remained at a high level with an increase of 2.1 % compared to the end of 2017.

New long term loans granted to retail and commercial clients during 1H 2018 amounted to EUR 5.2 billion compared to EUR 4.9 billion in 1H 2017. In 1H 2018, the new production of mortgage loans slightly decreased from EUR 2.9 billion in 1H 2017 to EUR 2.7 billion. During the same period, EUR 2.0 billion in new long-term business loans were granted, up 21.7% compared to 1H 2017. Belfius assisted 6,460 new start-ups in 1H 2018.

The total insurance premium production from customers in the Retail and Commercial segment amounted to EUR 951 million in 1H 2018, compared to EUR 916 million in 1H 2017, an increase of 3.8%.

Life insurance production stood at EUR 656 million in 1H 2018<sup>21</sup>, up 2.7% compared to 1H 2017<sup>22</sup>. Unit-linked (Branch 23) premiums went up strongly (+11.9%). Traditional Life (Branch 21/26) production decreased (-6.1%) following the low interest rate environment. These evolutions demonstrate the life product mix transformation: less guaranteed products and more unit-linked products.

Non-Life insurance production in 1H 2018 stood at EUR 295.5 million, up 6.3% compared to 1H 2017, thanks to the bank distribution channel and good performance in all other strategic distribution channels (e.g. Corona Direct Insurance, DVV).

Indeed, thanks to the “one-stop-shopping” concept of Belfius, the mortgage loan cross-sell ratio for property insurance stood at 84.7% in 1H 2018 compared to 84.3% in 1H 2017. With a ratio of 139% in 1H 2018 Belfius also continues to show a solid mortgage loan cross sell ratio for credit balance insurance.

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<sup>21</sup> Of which EUR 478.3 million Gross Written Premiums and EUR 177.3 million transfers.

<sup>22</sup> Of which EUR 319.6 million Gross Written Premiums and EUR 318.6 million transfers.

Total insurance reserves in the Retail and Commercial segment amounted to EUR 14.0 billion. Life insurance reserves increased since the end of 2017 by 0.3% to EUR 12.9 billion in 1H 2018 in a context of historically low interest rates. Unit-linked reserves (Branch 23) increased by 9.8%, while traditional guaranteed life reserves (Life Branch 21/26) decreased by 2.1%, demonstrating the life product mix transformation from guaranteed products to unit-linked products. Non-life reserves remained stable at EUR 1 billion.

Belfius continues to set the pace in mobile banking in Belgium and further developed its digitally supported business model. On 30 June 2018, Belfius apps for smartphones and tablets had 1,151,000 users (+7.5% compared to end of 2017) and were consulted by customers on average (slightly more than) once a day. The very high satisfaction figures show that continuous innovation, focused on user-friendliness and utility for the customer is profitable.

Belfius continues to extend the functionalities of its direct channels. In 1H 2018, 46% of the new pension saving contracts, 30% of the new credit cards and 27% of the new savings accounts were subscribed via direct channels.

RC net income after tax amounted to EUR 241 million in 1H 2018 compared to EUR 245 million in 1H 2017.

### **7.5.2. Public and Corporate (PC)**

Belfius offers a comprehensive range of banking and insurance products and services to approximately 12,000 public and social institutions and 10,600 corporates. In 2017, it had the market leading position in the public and social sector anchored by its over 150-year involvement in the sector, as well as being the fourth-largest bank for corporates by loans. Belfius has successfully developed its corporate offering, expanding its market share of loans to medium and large-sized corporates from 8.7% in 2013 to 12.2%<sup>23</sup> in 2017. Belfius estimates that it serves approximately 50% of Belgian corporate clients (representing approximately 60% penetration of corporates and mid-corporates and 25% of large Belgian corporates).

#### **Strategy**

Within the Public and Corporate market, Belfius intends to maintain its position as the leader in the public and social market and to continue its growth strategy in Belgian corporate market.

Customer satisfaction is one of Belfius' top priorities, with Public and Corporate clients reporting 98% customer satisfaction in 2017. Belfius has established a focused strategy to maintain this high standard. First, Belfius offers a wide range of classic banking and insurance products meeting all basic financial needs as effectively as possible. In addition to these traditional products, Belfius also looks to add value to its client relationships by leveraging its deep client and market understanding and offering tailor-made products and services to meet the needs of public, social and corporate clients.

In light of the challenges faced by public institutions in Belgium, Belfius continues to pursue its Smart Belgium programme, through which Belfius, together with partners from the public sector, the private sector and academic institutions, has created a forum in which smart solutions for a sustainable society can be developed. Through the Smart Belgium programme, Belfius acts as a financial partner and contact for local governments, intermunicipal authorities, start-ups, businesses, hospitals, schools, rest homes, care centres, academics and citizens, supporting these partners with their smart projects which can fall under eight areas: mobility, the circular economy, the environment, ecosystems, urban development, healthcare, education and energy.

In the corporate sector, Belfius builds on mutual trust and respect in order to develop sustainable and long-term client relationships. This aspiration for client intimacy means that Belfius does not focus on only selling products, but also on advising, servicing and consulting with clients. To realise these objectives Belfius took a series of actions over the past few years, including:

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<sup>23</sup> Estimated figure.

- partnering with subsidy consultants in order to help clients with their applications for potential government subsidies;
- connecting wealth management and corporate banking to create a two-way flow between private and professional aspects of the client-bank relationship;
- developing employee benefit products with a focus on mobility solutions (e.g. car leases), wage improvements (e.g. warrants and bonuses) and risk protection (e.g. hospitalisation, group insurance and collective pension plans);
- supporting international trade and mitigating related risks through trade finance (e.g. documentary credits, warranties and standby letters of credit), international payment solutions and cash pooling; and
- assisting clients with working capital management through the development of sound strategies and in-depth analyses of inventory management, credit management, and cash and treasury management.

Belfius is of the opinion that its local proximity to corporate customers and accessible decentralised decision centres provide a key competitive advantage over Belgian banking subsidiaries of international banks, enabling it to respond to customer needs quickly.

To further build its service offering towards corporate clients and to replicate in equity capital markets the success achieved in debt capital markets, Belfius entered into a strategic partnership with Kepler Cheuvreux in 2017. The partnership will create a new equity franchise with a strong local presence in Belgium, offering clients services in equity capital markets transactions, equity research, institutional sales and brokerage. This partnership is expected to further deepen Belfius' integrated customer offering and provide access to key corporate customer insight.

Belfius is of the opinion that the successful implementation of its Public and Corporate strategy will continue and enhance the segment's solid growth since 2015, enabling Belfius to reach a (loan) market share above 15% in the Belgian corporate sector, evidencing its place as one of the major corporate sector servicing banks in Belgium.

### ***PC commercial performance in 1H 2018***

On 30 June 2018, total savings and investments stood at EUR 32.9 billion, an increase of 2.4% compared with the end of 2017. On-balance sheet deposits decreased by EUR 0.6 billion (-2.6%), to EUR 22.6 billion. The off-balance sheet investments registered an increase of 16.6% to reach EUR 9.7 billion. Life insurance reserves for investment products amounted to EUR 0.6 billion.

Total outstanding loans increased by EUR 0.7 billion (or 2.0%) to EUR 39.0 billion. Outstanding loans in Public and Social banking slightly decreased mainly due to lower demand, increased competition on the Public and Social Sector market, and the structural shift to more alternative financing sources through (Debt) capital markets. Belfius' commercial strategy towards Belgian corporates results in an increase of 8.8% (compared to December 2017) of outstanding loans to EUR 11.8 billion at the end of June 2018. Off-balance sheet commitments increased with 3.7% to EUR 21.2 billion.

Belfius granted EUR 3.1 billion (+21%) of new long-term loans in the Belgian economy for Corporate customers and the Public sector in 1H 2018. Long-term loan production for Corporate customers increased by 24% to EUR 2.3 billion. This increase is a.o. the result of our growth ambition in this corporate segment and a pertinent and clear positioning as a "Business to Government" market specialist.

Despite poor market demand in 1H 2018, Belfius still granted EUR 0.8 billion in new long-term funding to the Public sector. The bank is and remains uncontested market leader, and replies to every funding tender from Public sector entities. It manages the treasury of practically all local authorities.

Belfius also confirmed its position as leader in Debt Capital Markets (DCM) for (semi-)Public and Corporate customers by offering diversified financing solutions. During 1H 2018, the bank has placed a total funding amount of EUR 2.9 billion short term and EUR 0.3 billion long term notes (allocated amount) for public and social sector clients and kept its level of participation rate at 85%. The long term funding amount placed is

slightly lower than in 1H 2017 partly due to one delayed benchmark transaction of a large public entity towards 2H 2018. With a participation rate of 44% in new long term bond issuances, Belfius also confirmed during 1H 2018 its position as leader in bond issues for Belgian corporate clients, and placed a total amount of EUR 1.0 billion short term and EUR 0.1 billion long term notes.

Belfius also structured and placed capital market transactions within Equity Capital Markets (ECM), such as IPO 's, capital increases and private placement of shares for various corporate clients in 1H 2018. These mandates were executed in close cooperation with Kepler Cheuvreux, Europe's leading independent equity broker, with whom Belfius entered into a strategic partnership in November 2017 to create a new equity franchise with strong local presence in Belgium. Additionally, Kepler Cheuvreux also published its first independent equity research reports for listed Belgian corporates in 1H 2018.

With regard to insurance activities, total gross production in the Public and Corporate segment amounted to EUR 225 million in 1H 2018. Gross production in the life segment amounted to EUR 141 million in 1H 2018, down 11% compared to 1H 2017, mainly due to the historically low interest rate environment. Gross production in the non-life segment amounted to EUR 85 million in 1H 2018, a decrease of almost EUR 5 million or 5.5% compared to 1H 2017. In 2Q 2018, Belfius Insurance decided to focus its non-life insurance business on the segment of social sector through direct distribution and to put the non-life-activities towards other institutional and corporate customers through the brokerage channel in run-off, and to reallocate freed-up resources to its strong developing non-life insurance business with SME customers through its own (bank and DVV) distribution channels.

PC net income after tax amounted to EUR 127 million in 1H 2018 compared to EUR 122 million in 1H 2017.

### 7.5.3. Group Center (GC)

From 1 January 2017, Group Center operates through two subsegments.

→ Run-off portfolios which are mainly comprised of

- a portfolio of bonds issued by international issuers, especially active in the public and regulated utilities sector (which includes the UK inflation-linked bonds), covered bonds and ABS/RMBS , the so-called ALM Yield bond portfolio;
- a portfolio of credit guarantees, comprising credit default swaps and financial guarantees written on underlying bonds issued by international issuers, and partially hedged by Belfius with monoline insurers (mostly Assured Guaranty); and
- a portfolio of derivatives with Dexia entities as counterparty and with other foreign counterparties.

→ ALM liquidity and rate management and other group Center activities, composed of liquidity and rate management of Belfius (including its ALM Liquidity bond portfolio, derivatives used for ALM management and the management of central assets) and other activities not allocated to commercial activities, such as corporate and financial market support services (e.g., Treasury), the management of two former specific loan files inherited from the Dexia era (loans to *Gemeentelijke Holding/Holding Communal* and Arco entities), and the Group Center of Belfius Insurance.

These portfolios and activities are further described below.

#### **ALM 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 of international issuers.

At the end of June 2018, the ALM Yield bond portfolio stood at EUR 3.6 billion<sup>24</sup>, down 0.7% compared to December 2017, mainly due to amortizations. End of June 2018, the portfolio was composed of corporates

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<sup>24</sup> Nominal amount

(70%), sovereign and public sector (12%), asset-backed securities (11%), and financial institutions (7%). Almost 85% of the corporate bonds, mainly composed of long-term inflation linked bonds, are issued by highly-regulated UK utilities and infrastructure companies such as water and electricity distribution companies. These bonds are of satisfactory credit quality, and the majority of these bonds are covered with an issuer credit protection by a credit insurer (monoline insurer) that is independent from the bond issuer.

At the end of June 2018, the ALM Yield bond portfolio has an average life of 20.5 years and the average rating remained at A. 95% of the portfolio is investment grade (IG).

### **Derivatives with Dexia-entities and foreign counterparties**

During the period it was part of the Dexia Group, former Dexia Bank Belgium (now Belfius Bank) was Dexia Group's "competence center" 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. Former Dexia Bank Belgium systematically rehedged 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 remaining outstanding notional amount of derivatives with Dexia-entities and non-collateralized interest rate derivatives with international non-financial counterparties amounted to EUR 30.7 billion<sup>25</sup> at the end of June 2018 (compared to EUR 34.3 billion at the end of December 2017), of which EUR 25.8 billion with Dexia entities (compared to EUR 29.2 billion at the end of December 2017). The fair value of those Dexia derivatives amounts to EUR 4.1 billion.

At the end of June 2018, the average rating of the portfolio stood at A- and the average residual life of the portfolio stood at 14.3 years<sup>26</sup>.

### **Credit guarantees**

At the end of June 2018, the credit guarantees portfolio amounted to EUR 3.8 billion<sup>27</sup>, down 2% compared to December 2017, mainly due to amortizations. It relates essentially to Financial Guarantees, and Credit Default Swaps issued on corporate/public issuer bonds (84%), ABS (13%) and covered bonds (3%). The good credit quality of the underlying reference bond portfolio, additional protection against credit risk incorporated in the bond itself and the protections purchased by Belfius mainly from various monoline insurers (US reinsurance companies, essentially Assured Guaranty) result in a portfolio that is 100% investment grade (IG) in terms of credit risk profile. This portfolio also contains Total Return Swaps for an amount of EUR 0.4 billion<sup>28</sup>.

At the end of June 2018, the average rating of the portfolio remained at A- and the average residual life of the portfolio stood at 10.1 years.

### **ALM Liquidity bond portfolio**

The ALM Liquidity bond portfolio is part of Belfius Bank's total LCR liquidity buffer and is a well-diversified, high credit and liquidity quality portfolio.

At the end of June 2018, the ALM Liquidity bond portfolio stood at EUR 7.5 billion<sup>29</sup>, down EUR 0.5 billion or 7% compared to December 2017, mainly due to the sale of Italian sovereign bonds (EUR 0.8 billion) partially compensated by a reinvestment program of EUR in LCR eligible bonds. End of June 2018, the portfolio was composed of sovereign and public sector (67%), covered bonds (25%), asset backed securities (5%) and corporates (2%). The Italian government bonds in the ALM Liquidity bond portfolio amounted to EUR 1.5 billion<sup>30</sup> as of 30 June 2018.

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<sup>25</sup> Nominal amount

<sup>26</sup> Calculated on EAD

<sup>27</sup> Nominal amount

<sup>28</sup> Nominal amount

<sup>29</sup> Nominal amount

<sup>30</sup> Nominal amount

At the end of June 2018, the ALM Liquidity bond portfolio has an average life of 9.0 years, and an average rating of BBB+ (100% of the portfolio being investment grade (IG)).

### **Other Group Center activities**

The other activities allocated to Group Center include:

- the interest rate and liquidity transformation activity performed within ALM, after internal transfer pricing with commercial business lines, including the use of derivatives for global ALM management;
- the management of two legacy loan files inherited from the Dexia era, i.e. the investment loans to two groups in liquidation, namely *Gemeentelijke Holding/Holding Communale* and some Arco entities;
- the results from hedging solutions implemented for clients (so-called financial markets client flow management activities);
- the results of treasury activities (money market); and
- the results including revenues 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.

### **Financial results GC**

GC net income after tax stood at EUR -33 million in 1H 2018, compared to EUR -6 million in 1H 2017.

## **7.6. Post-balance sheet events**

### **Interim dividend**

The Board of Directors has decided to pay out an interim dividend of EUR 100 million in September 2018.

### **Initial public offering**

Within the framework of the governmental agreement announced in July 2017, the Federal Government has given Belfius the green light to prepare a partial privatisation of Belfius by way of an initial public offering (IPO) of a minority stake of the bank (up to 49%). The effective 'execution' of the IPO, is however, still subject to approval by the Belgian State. Recently the Federal government decided, in close consultation with the Federal Holding and Investment Company (FHIC), that the IPO would be postponed due to the current unfavourable market conditions. The Federal government declared that it will reassess, on a frequent basis and together with FHIC and Belfius' Board and Management, this matter.

## **7.7. Risk Management**

### **Fundamentals of credit risk in 2017**

#### **Banking activities in Retail and Commercial**

Belgium experienced a robust economic growth throughout 2017, especially during the first half of the year. This growth was driven by an even stronger growth of the world economy and the increase of investments. As a result, job creation peaked. Against this background, lending to the Retail and Commercial business line remained at a high level, and this was based on a stable lending policy in general, albeit adjusted for some elements (see below).

Demand for consumer credit remained stable in 2017. The criteria used for granting consumer loans remained generally unchanged from the preceding years and in line with the “Responsible Lending” charter of the Belgian Financial Sector Federation (Febelfin). 2017 was the first year during which customers could apply for a consumer loan via mobile platforms, by using the Belfius App. Throughout 2017, approximately 10% of the consumer loan applications were introduced via mobile channels. The rules for evaluating mobile loan requests remained basically the same as for loans requested through traditional channels. Belfius remains, however, very vigilant on the risk profile of mobile loan requests, both in terms of credit risk and fraud risk.

The production of mortgage loans was very much sustained throughout 2017 and remained at almost the same level as in 2016. The early repayment wave (and the consecutive internal financing) which characterised 2015 and 2016, faded out in 2017. Nevertheless, Belfius’ portfolio of mortgage loans substantially grew over 2017, due to the increased financing of new real estate projects, i.e. property acquisitions or constructions. The share of loans with a higher LTV combined with a longer maturity in the portfolio slightly increased, because of the evolution of the product mix (higher proportion of loans to younger borrowers for a first home acquisition). The “LTV ratio” means the loan-to-value ratio. This is the ratio used by the lenders to express the ratio of the loan to the value of asset purchased. Notwithstanding this evolution, the overall credit quality of the mortgage portfolio remained excellent, and even slightly improved (as illustrated by the average probability of default). The historical low risk level of the mortgage portfolio is also reflected by the cost of risk that remains at a very low level. The Risk Department continued its reinforced monitoring of the potential higher risk segments of mortgage loans (combinations of longer repayment terms, higher loan-to-value financing ratios and higher debt service costs vs. income ratios, as well as buy-to-let transactions). The bank took measures to keep production in these niches within strict limits. This approach is in line with the concerns expressed by the National Bank of Belgium with regard to the evolution of the Belgian residential real estate and mortgage market.

Belfius has more than 275,000 self-employed workers, professionals and SMEs as customers. Each one of them can rely on the personal service of a business banker. Belfius Bank’s approach to have lending decisions for business loans taken by local teams working close to the customer was further intensified in 2017. This strategy contributes to a better customer service, while numerous tests and realised statistics indicate that the risk remains under control. The continuous fine-tuning of the decision-making logic and the enhanced and quickly reactive monitoring on deteriorating risk profiles is bearing fruit. Through the new “Go4Credits” project, Belfius further enhanced in 2017 the efficiency of its credit approval process for the Commercial Business line.

The overall profitability and strength of Belgian SMEs remained good, although the latter are more and more confronted with a changing consumer pattern (e.g. e-commerce). In 2017, according to Graydon, 10,831 companies were forced to cease business, which was 7.6% more than in 2016. The number of bankruptcies increased most in the Brussels-Capital Region, i.e., by 34.3%. The increase in the Walloon Region remained limited to 7.2%, while Flanders showed a decrease of 1.9%. At the sectoral level, the hotel and catering industry suffered 2,149 bankruptcies (+8.1%). More bankruptcies were also pronounced in sectors such as construction, business services, transport and car dealers. As a result, 21,297 jobs were put at risk, which is 2.8% more than a year before. Overall, the cost of business loans at Belfius Bank remained at a good risk/return level and within the target levels. Belfius therefore intends to keep supporting the production of business loans, also in relation to start-ups. At the same time, the Risk department continues the improvement of the process of early warning indicators in order to keep permanently the risks in this market segment well under control.

### ***Banking activities in Public and Corporate***

In 2017, Belfius kept providing the public and social sector, as well as mid & large companies, with an extensive and integrated range of dedicated products and services. It strengthened its partnership with the customers from the public and social sector by continuing to invest in having an in-depth knowledge of their needs and continuing to be able as such to offer them new and tailored solutions to fund their operations, manage their finances and meet their insurance requirements. The strategy to also become the reference partner for corporates that service this public and social sector (Business-to-Government) was further implemented.

The Public Sector loans portfolio maintained its very low risk profile. Since 2012, local authorities have nearly stabilized their global expenditures as a result of a decrease of interest charges (-6.6% per year) and of capital expenditures (-6.0% per year), which both compensated for the rise of their current expenditures (+1.2% per year). The evolution of these current expenditures remained under control as well, partly because of the low inflation and partly because of the decline in the number of local public servants. The investments of local authorities amounted to EUR 3 billion in 2016, compared to EUR 4 billion in 2012, a decline of almost 30%. This historically low level of investments worsened the already existing underinvestment for the whole Belgian public sector. During the same period, local authorities managed to improve their balance of payments with on average 2.5% per year. This balance even became positive in 2015 and 2016. In parallel, partly as a result of the moderate investment dynamics, the debt level of local authorities fell below the threshold of EUR 24 billion, which represents 5.13% of the total public debt in Belgium. 2017 generally confirmed these tendencies: expenditures were well kept under control, restraint investment dynamics and fiscal receipts were somewhat under pressure. Aside from the current budgetary limits, some other structural reforms will weigh on the finances of municipalities in the coming years, such as the ongoing pension reform for their statutory staff, the contribution of local authorities to remedying Belgian public finance, the consequences of the tax shift (approved in 2016 by the Federal government) which gradually erodes the taxable basis of the municipal additional taxation, the challenges of the ageing population and finally the increasing costs of social aid and security. All these challenges brought about a lot of movement in the local landscape, especially in Flanders. Many activities of municipalities or provinces, in particular related to the management of public real estate and infrastructure (with respect to public utilities), have been transferred to autonomous companies. Public centres for social welfare increasingly create mutual associations, with the intention of developing closer collaboration around welfare and care. In many places, the activities of the municipality and the public centre for social welfare have been partially merged. This spontaneous trend precedes the already planned full integration of both. Meanwhile, there were also a lot of mergers between police zones looking for a scale-up, and the first mergers between municipalities have been announced.

From a risk management point of view, the hospital sector remains a focus of attention. The potential developments in the area of hospital funding are closely monitored. The indebtedness of Belgian hospitals has increased importantly the past 5 years. The operating profit of the sector - after a stabilization in 2015 – deteriorated again for the second consecutive year. As a consequence, some hospitals display a structural shortfall in repayment capacity. According to Belfius' studies, the Belgian hospital sector seems somewhat underfunded and an overcapacity regarding beds and infrastructure prevails. The Minister of Public Health has drafted the general outlines of a plan to address these challenges.

Belfius' corporate business is focused on Belgian companies with a turnover in excess of EUR 10 million. With 10,600 customers, Belfius is positioned as a challenger in this segment, but the growth strategy launched in 2015 was successfully pursued in 2017. Belfius has taken the necessary measures to ensure that this growth strategy goes hand in hand with a good creditworthiness and acceptable risk concentrations. The credit profile of the corporate lending remained fairly stable during 2017, which also meant that the cost of risk remained at an acceptable level and within the limits set. Real GDP growth in Belgium accelerated in 2017 to 1.7%, supported by low interest rates and a declining unemployment. The wage restraint, the 2015 index jump and the tax shift have made especially our bigger and exporting companies more competitive. The announced reduction of the corporation tax can give them a further boost. As a result, the general recovery of profitability of Belgian corporates - already started in 2014 - continued in 2017. However, the constitutional crisis in Catalonia and the Brexit may create difficulties. The planned Brexit could especially weight on Belgium's economic expansion: 8.8% of Belgian exports are directed to the UK, representing 7.7% of GDP, the largest share (as a projection of national output) amongst EU countries. A follow-up of global Brexit risks and impacts at portfolio level was put in place, but did not reveal critical problems.

Belfius monitors sector risks in a proactive way and defined specific measures with regard to a limited number of more vulnerable sectors. In the shipping industry, Belfius Bank continued to focus exclusively, as it has done in previous years, on shipping companies and other shipping-related businesses that have a commercial



relationship with the bank and a clear link with the Belgian economy. Connections with companies that do not meet these criteria were further reduced. One year after excess capacity caused the sector's worst-ever crisis (e.g. August 2016, the Korean based Hanjin shipping, the world's 7th largest shipping company, filed for bankruptcy), the market is more and more dominated by players with big ships. The growing use of mammoth ships is key in view of a possible turnaround. Companies who own them are able to deploy fewer vessels and move more cargo on one single journey. However, in general, market conditions remained difficult in 2017. Freight rates generally still remained below historical levels. The excess of shipping capacity kept putting pressure on freight rates, as new entrants expanded and old vessels still remained.

Real estate financing, related to both residential and commercial real estate, is an important business activity within Belfius. Also on industry level, the Bank's lending activity in the real estate sector continues to increase considerably. The evolution of real estate financing over the last years is to be evaluated in the context of the following factors: the sustaining low interest rate environment, the fact that Belgian banks have a large deposit base and are confronted with a search for yield, the gross debt ratio of Belgian households that has increased and has recently slightly exceeded the average Euro area ratio. This combination of elements induces a concern at NBB level about an over evaluation of the Belgian (residential) property and about the threat of strong volume growth with potentially lower credit standards, lower margins and low provisioning levels. Belfius is aware of these potential pitfalls and has traditionally applied strict origination and acceptance criteria (LTV, maturity, collateral valuation) on new transactions and a solid monitoring of projects, in both residential and commercial real estate financing. Belfius real estate credit exposure is considered as being correctly diversified in terms of underlying asset types, individual name concentration and geographical spread.

Finally it is worth mentioning that Belfius further intensified its portfolio management in the course of 2017, in the first place through the gradual sale of higher risk exposures and/or exposures that are no longer considered as being core business (e.g. shipping-related business without a commercial relationship), but also by developing risk hedging and risk sharing programs.

### ***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 the bank and insurance are permitted, on the condition that both parties agree. The CROs of Belfius Bank and Belfius Insurance coordinate the requests among each other.

## Exposure to credit risk

The definition of Full Exposure At Default (“FEAD”)<sup>31</sup> is determined as follows:

- for balance sheet assets (except for derivatives): the gross carrying amounts (before impairment);
- for derivatives: the fair value of derivatives increased with the potential future exposure (calculated under the current exposure method or add-on);
- for reverse repurchase agreements: the carrying amount as well as the excess collateral provided for repurchase agreements;
- for off-balance sheet commitments: either the undrawn part of liquidity facilities or the maximum commitment of Belfius for guarantees granted to third parties (including financial guarantees given).

Belfius credit risks are of course based on a consolidation scope that includes its fully consolidated subsidiaries, Belfius Insurance included.

As at 30 June 2018, the total credit risk exposure within Belfius reached EUR 167.0 billion, a decrease of EUR 6.8 billion or 3.9 % compared to the end of 2017.

At bank level the credit risk exposure decreased with 3.0 % to EUR 152.9 billion. At the level of Belfius Insurance, the credit risk exposure went down by 12.5% to EUR 14.1 billion at 30 June 2018.

### Breakdown of credit risk by counterparty

(FEAD, in EUR billion)	31/12/17	30/06/18	Of which	
			Bank	Insurer
Central governments	24.8	22.8	16.9	5.9
of which government bonds	12.9	9.7	4.0	5.7
Public sector entities	47.4	46.6	44.7	1.9
Corporate	29.5	30.7	29.4	1.3
Monoline insurers	3.5	4.3	4.3	-
ABS/MBS	1.0	0.9	0.8	0.1
Project Finance	2.0	1.9	1.9	-
Individuals, self-employed and SMEs	45.2	46.5	43.0	3.5
Financial institutions	19.7	13.2	11.9	1.3
Other	0.7	-	-	-
<b>TOTAL</b>	<b>173.8</b>	<b>167.0</b>	<b>152.9</b>	<b>14.1</b>

The credit risk exposure on public sector entities and institutions that receive guarantees of these public sector entities (28% of the total) and on individuals, self-employed and SMEs (28% of the total) constitute the two main categories. The credit risk exposure on public sector entities slightly decreased with EUR 0.8 billion, while the credit risk exposure on individuals, self-employed and SMEs increased by EUR 1.4 billion due to increasing commercial activities. The expansion of Belfius’ corporate activities is also reflected in higher credit risk exposure (+EUR 1.2 billion) for this segment leading to an increase of its relative proportion from 17% by the end of 2017 to 18% by June 2018.

The relative proportion of the segment central governments remained stable in relative terms at 14%, but went down with EUR 2.0 billion in June 2018. The decrease is mainly explained by the sale of Italian and Belgian government bonds in the first quarter of 2018. Belfius has sold part of its Italian government bond and swap package, for a notional amount of EUR 0.8 billion, which were classified in First Time Adoption IFRS 9 under a “hold-to-collect and sell” business model. The sale was in line with Belfius’ objective to flexibly manage part of its concentration risk on Italian government bonds. The transaction value for the sale amounts to EUR 1.1 billion (FEAD), with a positive impact on the net result of first half of 2018 of EUR 21 million (after reversal of related impairment provision and net of tax).

<sup>31</sup> Belfius uses the term of Full EAD or FEAD. Full Exposure At Default (FEAD) is the total exposure at default (EAD), including the total amount of a free credit line and other off-balance-sheet transactions (with the exception of derivatives), before application of credit conversion factors (CCF). EAD is an estimation of the maximum extent to which a bank may be exposed to a counterparty in the event of, and at the time of, that counterparty’s default (Source: Belfius Risk Report 2017).

More than half (53%) of the government bonds portfolio is invested in Belgian government bonds at the Group level. While at bank level the Belgian government bonds represents 39% of the total government bond portfolio, the relative proportion at Belfius Insurance stood at 64%.

The credit risk exposure on financial institutions further decreased during the first half of 2018 by EUR 6.5 billion and stood at 8% by 30 June 2018 against 11% at the end of 2017, resulting from the incorporation of excess collateral received in the netting of derivatives. The credit risk on monoline insurers on bonds issued by issuers principally active in infrastructure and public utilities projects is predominantly an indirect risk arising from credit guarantees written by Belfius Bank and reinsured with monoline insurers. During the first half of 2018, the relative proportion of the monoline insurers went down from 2.4% at the end of 2017 to 2% by 30 June 2018.

Belfius' positions are mainly concentrated in the European Union: 96% or EUR 152.9 billion at bank level and 95% or EUR 12.9 billion for Belfius Insurance. The total relative credit risk exposure on counterparties situated in Belgium is 73%, 6% in the United Kingdom, 4% in France, 2% in Italy and in the United States and Canada and 1% in Spain.

The credit risk exposure to counterparties in the United Kingdom amounted to EUR 9.9 billion as of end June 2018. About half of this credit risk exposure concerns bonds, of which close to two-third are inflation-linked, issued by utilities and infrastructure companies in the United Kingdom that operate in regulated sectors such as water, gas and electricity distribution. These bonds are of satisfactory credit quality (100% investment grade), and moreover the majority of the outstanding bonds are covered with a credit protection issued by a credit insurer that is independent from the bond issuer. The remainder concerns the bond portfolio of Belfius Insurance, a short-term credit portfolio for treasury management of Belfius Bank and receivables on clearing houses. The credit risks on those portfolios are also of good credit quality.

At 30 June 2018, 84% of the total credit risk exposure had an internal credit rating of investment grade (IG).

### ***Asset quality***

At the end of June 2018, the volume of gross outstanding loans and advances to customers grew by 3%, whereas the amount of impaired loans and advances to customers amounted to EUR 1,917 million, representing an increase of 5% compared to 1 January 2018. As a consequence, the asset quality ratio slightly increased from 2.15% as of 1 January 2018 to 2.20% at the end of June 2018 and, over the same period, the coverage ratio slightly decreased from 63.3% to 61.4%. These evolutions are due to a number of corporate loans, that went into default and that were adequately covered by collateral (inducing a proportionally lower degree of impairment). The collective impairments (stage 1 & 2) on loans and advances to customers decreased since 1 January 2018 by EUR 6 million to EUR 316 million at the end of June 2018.

### ***Liquidity risk***

#### ***Consolidation of the liquidity profile***

During the first half of 2018, Belfius consolidated its diversified liquidity profile by:

- maintaining a funding surplus within the commercial balance sheet;
- continuing to obtain diversified long-term funding from institutional investors by issuing, amongst others, a benchmark covered bond<sup>32</sup> and new Tier 2 instruments;
- collecting short and medium-term deposits (Commercial Paper (“CP”)/Certificates of Deposit (“CD”)/European Medium Term Notes (“EMTN”)) from institutional investors.

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<sup>32</sup> Covered bonds are debt securities issued by a financial institution and backed by a separate group of assets; in the event the financial institution becomes insolvent, the bond is covered. A benchmark bond is a bond that provides a standard against which the performance of other bonds can be measured.

Belfius Bank participates to the ECB TLTRO funding programme with an amount of EUR 4.0 billion with a purpose to finance investment needs of SMEs, social sector and retail clients (mortgage loans excluded). The ECB TLTRO refers to the targeted longer-term refinancing operations carried out by the ECB. These are Eurosystem operations that provide financing to credit institutions for periods of up to four years. They offer long-term funding at attractive conditions to banks in order to further ease private sector credit conditions and stimulate bank lending to the real economy.

The issuance of an additional tier 1 instrument (AT1) in the beginning of 2018 also had a positive impact on the liquidity. AT1 instruments are specific instruments issued by Belfius Bank for its regulatory capital purposes.

The Liquidity Coverage Ratio (“**LCR**”), introduced within the framework of the Basel III reforms, has become a pillar I requirement for European banks on 1 October 2015 (at a level of 60%). Belfius Bank reached end of June 2018 a 12 month average LCR of 133%<sup>33</sup>. The LCR of the Bank has remained above 100% during the first semester of 2018.

The Net Stable Funding Ratio (“**NSFR**”), based on our current interpretation of current Basel III rules, stood at 116% end of June 2018.

### ***Minimum requirement for own funds and eligible liabilities***

At the end of May 2018, the National Bank of Belgium (“**NBB**”) has notified Belfius Bank of the MREL requirement imposed by the Single Resolution Board (“**SRB**”).

The Bank Recovery and Resolution Directive (“**BRRD**”) provides that institutions established in the European Union (EU) should meet a minimum requirement for own funds and eligible liabilities (“**MREL**”) to ensure an effective and credible application of the bail-in tool. The SRB MREL determination follows the methodology laid down in the “SRB 2017 MREL Policy”, published by the SRB on 20 December 2017. The MREL shall be calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds (“**TLOF**”<sup>34</sup>).

The SRB determines the consolidated MREL requirement for Belfius Group at the level of 9.70% of its total liabilities and own funds, to be met at all times and taking into account an evolving balance sheet.

Taking into account data as of 31 December 2016 and 31 December 2017, this MREL requirement corresponds to an amount of respectively, EUR 12.479 billion and EUR 12.390 billion. Based upon data as of 30 June 2018, the MREL requirement of 9.70% of TLOF amounts to EUR 12.52 billion.

Following the current SRB methodology, Belfius Group exceeded the MREL requirement based on data 31 December 2017, and hence no transitional period has been defined by the SRB for Belfius.

As mentioned in the SRB 2017 MREL Policy, the SRB has also set out a subordination benchmark for O-SIIs<sup>35</sup>. The total subordination benchmark for Belfius has currently been set as 16%<sup>36</sup> of the total risk exposures as of December 2016.

The SRB reserves the right to adjust the aforementioned policy at a later stage in the light of the future design of the BRRD and further development of the MREL policy.

### ***Liquidity reserves***

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<sup>33</sup> From 1H 2018 onwards, Belfius discloses a 12 month average LCR in accordance to EBA guidelines on LCR disclosure.

<sup>34</sup> TLOF : based on prudential scope of consolidation with prudential netting of derivatives exposures

<sup>35</sup> O-SIIs : Other Systemically Important Institutions

<sup>36</sup> This subordination benchmark is composed of two components: (i) a general level depending on the systemic importance of banks ( (12% + fully-fledged CBR) of total RWA for O-SIIs) and (ii) a potential bank specific add-on depending on the outcome of the NCWO principle (not yet finally defined by SRB)

At the end of June 2018, Belfius Bank had readily realisable liquidity reserves of EUR 32.5 billion. These reserves consisted of EUR 10.6 billion in cash, EUR 9.8 billion in ECB eligible bonds (of which EUR 5.9 billion are CCP-eligible (Central Counter parties)), EUR 10.0 billion in other assets also eligible at the ECB and EUR 2.1 billion in other liquid bonds.

These liquidity reserves represent 5.1 times the Bank's institutional funding outstanding end of June 2018 and having a remaining maturity of less than one year.

### ***Funding diversification at Belfius Bank***

Belfius Bank has a historical stable volume of commercial funding that comes from its RC and PC customers. RC and PC funding equals EUR 88.6 billion of which EUR 66.1 billion is from RC. The increase of EUR 1.9 billion commercial funding compared to end of 2017 is used to finance the increase of commercial loans.

Belfius Bank also receives medium-to-long-term wholesale funding, including EUR 7.9 billion from covered bonds (EUR 5.5 billion backed by mortgage loans and EUR 2.4 billion by public sector loans), EUR 2.9 billion from Senior Unsecured, and EUR 4.0 billion in TLTRO funding from ECB as at 30 June 2018.

Note that the second semester of 2017 Belfius Bank issued its first Non Preferred Senior Bonds after Belgian law was voted. These Non Preferred Senior Bonds of EUR 1.25 billion have enabled Belfius to further contribute to the new expected regulatory requirement of MREL.

The remainder of the Bank's funding requirements comes from institutional short-term deposits (Treasury) mainly obtained through placement of Certificates of Deposit and Commercial Paper.

Next to that, Belfius Bank also has a historical bond portfolio, including an ALM portfolio for liquidity management purposes, with highly liquid assets.

As a result of derivative contracts to cover 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 & securities collateral). Against the background of historical low interest rates, in net terms, Belfius Bank posts more collateral than it receives.

### ***Encumbered assets***

According to Belfius current interpretation of the EBA guideline on the matter, the encumbered assets at Belfius Bank level amount to EUR 32 billion in June 2018 and represent 21% of total bank balance sheet and collateral received under securities format, which amounts to EUR 152.4 billion (EUR 148.8 billion assets and EUR 3.6 billion collateral received). This represents an increase of the encumbrance ratio of 0.6% compared to end 2017.

Belfius is active on the covered bond market since the set-up of the first covered bond programme in 2012. In June 2018, the total amount issued was EUR 7.9 billion. New issues of EUR 0.7 billion were realised in the second quarter of 2018. End June 2018, the assets encumbered for this funding source are composed of commercial loans (public sector and mortgage loans) and amount to EUR 9.8 billion (increase of EUR 0.7 billion compared to end 2017).

The Bank is also collecting funding through repo markets for a limited amount and other collateralised deposits. End June 2018, the total amount of assets used as collateral for this activity amounts to EUR 6.4 billion, of which EUR 4.3 billion linked to the ECB funding.

The balance of encumbered assets is mainly linked to collateral pledged (gross of collateral received) for the derivatives exposures for EUR 12.7 billion (decrease of EUR 0.9 billion compared to end 2017), under the form of cash or securities. A significant part of collateral pledged is financed through collateral received from other counterparties with whom the Bank concluded derivatives in the opposite direction.

Regarding the "Other assets" (unencumbered) on balance sheet, they are mainly composed of assets not available for encumbrance such as derivatives value, fair value revaluation of portfolio hedge and tax assets.

## 7.8. Ratings

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

	<b>Long-term rating</b>	<b>Outlook</b>	<b>Short-term rating</b>
Fitch	A-	Stable	F2
Moody's	A2	Positive	Prime-1
Standard and Poor's	A-	Stable	A-2

## 7.9. Other information

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.

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

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.

### 7.9.1. 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 tax payer.

In accordance with IFRS, Belfius makes provisions for such litigations when, in the opinion of its management, after analysis by its company lawyers and external legal advisors as the case may be, it is probable that Belfius will have to make a payment and when the amount of such payment can be reasonably determined.

With respect to certain other litigations against Belfius of which management is aware (and for which, according to the principles outlined above, no provision has been made), 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.

The most important cases are listed below, regardless of whether a provision has been made or not. 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. Such impact remains unquantifiable at this stage.

#### 7.9.1.1. Housing Fund of the Brussels Capital Region

On 9 October 2012, the Housing Fund of the Brussels Capital Region (*Woningfonds van het Brussels Hoofdstedelijk Gewest/Fonds du Logement de la Region de Bruxelles-Capitale*) summoned Belfius Bank before the Brussels Commercial Court. The Housing Fund subscribed for a total amount of EUR 32,000,000 to 4 treasury notes issued by Municipal Holding (*Gemeentelijke Holding/Holding Communale*), placed by Belfius acting as dealer under the Municipal Holding commercial paper programme, between July and September 2011 (Commercial Paper programme). Due to severe financial difficulties encountered by the Municipal Holding, the Housing Fund granted a voluntary waiver to the Municipal Holding on 24 November 2011 and received repayment for EUR 16,000,000. The Municipal Holding entered into liquidation in December 2011. Due to the intervention of Belfius as dealer of the treasury notes, the Housing Fund demands the payment by Belfius Bank of the non-repaid capital. As the loss incurred on this investment is the result of a voluntary waiver

of the claim by the Housing Fund, which matches half of the investment, Belfius Bank rejects the demand from the Housing Fund.

On 27 March 2014, the Brussels Commercial Court accepted the claim application by the Housing Fund, but declared it unfounded. The Housing Fund lodged an appeal against this judgement on 3 June 2014.

There was no significant evolution in this claim during 2016 and 2017. The date of the hearings is not yet known

No provision has been made for this claim.

#### **7.9.1.2. BBTK<sup>37</sup> and ACLVB<sup>38</sup>**

On 8 May 2014, two trade unions within Belfius Bank, BBTK and ACLVB, summoned Belfius Bank before the Brussels Labour Court. They demanded the annulment of the collective bargaining agreements (“CBA”) that Belfius Bank signed in 2013 with two other trade unions of the Bank.

On 8 June 2017, the Labour Court decided in an intermediary judgement that:

the CBA may validly be signed by only one trade union, even though it modifies an older CBA concluded with other (more) trade unions;

Belfius did not violate the unions’ rights to collective bargaining; and

the final registered CBA “Belfius 2016” (as opposed to the initial version of the CBA Belfius tried to register just before) did however not respect some formalities imposed by the legislation regarding CBA and for that reason, it was declared relatively null by the Labour Court.

On 4 July 2017, Belfius has registered the initial version of the CBA with the competent Federal Authority (*FOD WASO/SPF ETCS*) which contain the abovementioned legal formalities as decided by the Labour Court.

On 8 December 2017, the Labour Court decided in a final judgment that the unions’ claims are not admissible. After this judgment, both unions BBTK and ACLVB have confirmed to Belfius that they will not appeal this Labour Court’s final judgment. Given the relative nullity of the first registered CBA as stated in the judgment of 8 June 2017, it cannot be fully ruled out that current and/or former employees of Belfius Bank could still individually claim the application of the previous CBA in new court proceedings. Belfius is of the opinion that the chances of success and consequences for Belfius of such proceedings would not be material, given, among other, the registration of the initial version of the CBA on 4 July 2017.

#### **7.9.1.3. Arco – Cooperative shareholders**

In September 2014, Arco shareholders started legal proceedings against the Arco companies, Belfius Bank and the Belgian State before the Commercial Court of Brussels (the “**Brussels Commercial Court Proceedings**”). There are 2,169 plaintiffs as at the date of this paper.

The plaintiffs essentially request that their Arco share subscriptions be declared null and void, and that the Arco companies, Belfius Bank and the Belgian State indemnify them for their investor losses.

Belfius Bank in turn claims indemnification from the Arco companies (as issuers of the Arco shares and authors of much of the relevant information and advertising).

The plaintiffs’ claims amount to approximately EUR 6.5 million in principal. Belfius Bank submitted its first legal briefs on August 16, 2018, and oral pleadings are scheduled in June 2021. Judgment is not expected before late 2021 or early 2022.

On 24 October 2016, three Arcopar shareholders initiated further court proceedings against Belfius Bank before

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<sup>37</sup> Bond van bedienden, technici en kaders.

<sup>38</sup> Algemene Centrale der Liberale Vakbonden van België.

the Court of First Instance of Antwerp, section Turnhout. (the “**Turnhout Proceedings**”). Belfius Bank impleaded Arcopar in the proceedings and the plaintiffs additionally summoned the Belgian State.

The plaintiffs mainly request that Belfius Bank be held liable to pay a provisional amount of EUR 2,100 to each plaintiff plus interest and costs, on the ground that Belfius Bank misled them in subscribing for Arcopar shares, and that the Arco companies, Belfius Bank and the Belgian State indemnify the plaintiffs for their investor losses.

Again, Belfius Bank in turn claims indemnification from the Arco companies (as issuers of the Arco shares and authors of relevant information and advertising).

The aggregate amount of the claims of the plaintiffs in the Turnhout Proceedings provisionally amounts to EUR 6,300 in principal. According to the procedural calendar, oral pleadings are scheduled on October 22, 2018. At that time, the Court will decide whether it will transfer the Turnhout Proceedings to the Brussels Court of First Instance, to join them with the Brussels Court of First Instance proceedings described in point 3 below.

On 7 February 2018, two cooperative shareholders sued the Belgian State before the Court of First Instance of Brussels. The plaintiffs subsequently impleaded Belfius Bank, and Belfius Bank in turn impleaded the Arco companies. Groups of Arco shareholders have organized themselves through social media in an effort to mobilize other Arco shareholders to join these proceedings. On the date of this prospectus, approximately 4,300 shareholders have joined these proceedings.

The plaintiffs mainly request that (i) the Belgian State be held liable for the losses which they suffered by not withdrawing from the Arco companies in reliance on the State’s 2008 commitment to extend deposit guarantee protection to the Arco shares, and (ii) Belfius Bank pay damages on the ground of mis-selling.

Belfius Bank in turn claims indemnification from the Arco companies (as issuer of the Arco shares and author of relevant information and advertising).

The total amount of the claims can be estimated at EUR 9.5 million. No procedural calendar has been established in this case yet.

No provision has been made for these claims because Belfius Bank is of the opinion that it has sufficient valid arguments to result in these claims being declared inadmissible and/or without merit.

#### **7.9.1.4. Ethias**

Belfius is party to a dispute with Ethias, the insurer of some of Belfius’ pension plans. Ethias is currently managing one of Belfius’ pension plans in a segregated fund, whereby 100% of the financial gains on the underlying assets are allocated to the plan according to a profit sharing agreement validly concluded between the parties. Ethias has claimed a significant increase in management costs which is not provided for in the existing agreements. Following Belfius’ refusal to grant this increase, Ethias terminated the profit sharing agreement and threatened to transfer unilaterally the pension plan assets to Ethias’ main fund. If that were to occur, the financial gains of the underlying assets would no longer be paid in full to the pension plan, and Belfius would be compelled to evaluate these assets based on Ethias’ guaranteed rates (rather than at market value), which would have a negative impact of EUR 83 million on Belfius’ other comprehensive income (OCI). In order to prevent this, Belfius summoned Ethias before the Court in Brussels in summary proceedings on 23 December 2016. Separately from the summary proceeding, Belfius also introduced a proceeding on the merit in the commercial court of Brussels on 12 January 2017.

On 18 January 2017, the Court in summary proceedings prohibited the transfer of the assets, subject to a penalty up to EUR 3 million, and ordered Ethias to continue allocating 100% of the financial gains to the segregated fund. Ethias appealed against the judgment before the Brussels Court of Appeal. On 20 June 2017, the Court again ruled against Ethias and maintained the prohibition on the transfer of the plan’s assets. However, because summary proceedings do not allow an adjudication on the merit, the Court also ruled that Ethias was no longer required to allocate 100% of the financial gains to the pension plan, awaiting the judgment on the merit.



A first judgment on the merit is currently expected in the course of the first half of 2019. Based on clear and valid contractual stipulations, Belfius is of the opinion that Ethias may not:

- unilaterally increase the management costs;
- unilaterally de-segregate the pension plan; and
- terminate the profit sharing agreement.

#### 7.9.1.5 Funding Loss

Belfius Bank is facing some legal actions regarding the issue of indemnities charged for funding losses incurred by Belfius Bank. The latter are charged to professional clients in the case of early repayment of professional credits. These indemnities are calculated in line with the current legal dispositions and the contractual framework of such loans to reflect the financial losses that are actually incurred by Belfius Bank in the case of early repayment of a professional credit. Belfius booked a provision to cover the potential adverse outcome of the active litigation proceedings for which it assesses to have a less strong case.

#### 7.9.1.6 Investigation into Panama Papers

These paragraphs are mentioned for completeness only, although the matters below do not comprise a litigation. On 5 December 2017, a police search under the lead of an examining magistrate of Brussels (*onderzoeksrechter/ juge d'instruction*) took place at Belfius Bank's head office in the framework of the Belgian "Panama Papers" Parliamentary Commission. Belfius Bank was investigated as a witness and has not been accused of any wrongdoing. The scope of the investigation is to establish whether there are any violations of anti-money laundering obligations and to investigate the link between Belfius Bank (or its predecessors), and, amongst others, Experta and Dexia Banque International Luxembourg (i.e., former entities of the Dexia group).

To date, Belfius Bank did not receive any further information since the above mentioned police search.

### 7.9.2. Management and Supervision of Belfius Bank

Belfius Bank complies with its country of incorporation's corporate governance regime, such as set forth by the Belgian Banking Law and the Companies Code.

#### 7.9.2.1. Composition of the management board and the board of directors

##### 1. Management Board

The Management Board currently has six members who have all acquired experience in the banking and financial sector. The members of the Management Board form a college.

As of the date of this Base Prospectus, the Management Board consists of the following six members:

Name	Position	Significant other functions performed outside Belfius Bank
Marc Raisière .....	Chairman	none
Dirk Gyselincx .....	Member	none
Eric Hermann .....	Member	none
Olivier Onclin .....	Member	none
Dirk Vanderschrick .....	Member	Chairman of the Management Board of Belfius Insurance
Johan Vankelecom .....	Member	none

Changes in the composition and the distribution of tasks between the members of the Management Board are expected in the near future (1 January 2019) and are currently submitted to the approval of the regulators.

The above members of the Management Board have their business address at 1210 Brussels, Place Charles Rogier 11, Belgium.

The Board of Directors has delegated all of its management powers to the Management Board set up from among its members. Such delegation of its powers does not extend to the determination of general policy, or to any other powers that are reserved pursuant to the Companies Code or to the Banking Law to the Board of Directors.

As a result, 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.

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 advices to the Board of Directors with a view to define or improve Belfius Bank's general policy and strategy.

The members of the Management Board 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 structure suited to Belfius Bank's organisation, including supervisory measures, with a view to guaranteeing the effective and prudent management of Belfius Bank in accordance with the Banking Law.

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the management board and their private interests and other duties.

## **2. *Board of directors***

Belfius Bank is managed by its Board of Directors, which is entitled to take any action the right to which is not expressly reserved to the General Meeting of Shareholders of Belfius Bank by law or the articles of association of Belfius Bank. In accordance with the Banking Law, the Board of Directors has delegated to the Management Board of Belfius Bank all such powers to the maximum extent permitted under Belgian law.

Pursuant to the articles of association of Belfius Bank, the Board of Directors of Belfius Bank is composed of a minimum of 5 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.

### **Composition as at the date of this Base Prospectus**

As at the date of this Base Prospectus, the Board of Directors consists of 15 members, 6 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.

<b>Name</b>	<b>Position</b>	<b>Significant other functions performed outside Belfius Bank</b>
Jozef Clijsters.....	Chairman of the Board of Directors of Belfius Bank	none
Marc Raisière.....	Chairman of the Management Board of Belfius Bank	none
Dirk Gyselinck.....	Member of the Management Board of Belfius Bank Responsible for Public & Corporate Banking, Financial Markets, Wealth Management	none
Eric Hermann.....	Member of the Management Board of Belfius Bank Chief Risk Officer	none
Olivier Onclin .....	Member of the Management Board of Belfius Bank Chief Operating Officer Responsible for Operations, IT, Purchasing & Facility Management and Organisation	none
Dirk Vanderschrick .....	Member of the Management Board of Belfius Bank Responsible for Retail and Commercial Banking	Chairman of the Management Board of Belfius Insurance
Johan Vankelecom .....	Member of the Management Board of Belfius Bank Chief Financial Officer Responsible for Financial Reporting, Research, Liquidity and Capital Management, Corporate Advisory, Asset and Liability Management, Legal and Tax	none
Paul Bodart .....	Member of the Board of Directors of Belfius Bank (Independent Director)	Professor in Financial Markets at the Solvay Business School
Jean-Pierre Delwart.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Chairman of the Board of Directors of Solvac
Carine Doutrelepont.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Lawyer and Full Professor at the Université Libre de Bruxelles (ULB)

<b>Name</b>	<b>Position</b>	<b>Significant other functions performed outside Belfius Bank</b>
Georges Hübner .....	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor at HEC Liège and the Liège University and Associated Professor at the University of Maastricht, School of Business and Economics, Limburg Institute of Financial Economics
Diane Rosen.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Finance Director of BAM Belgium SA
Chris Sunt .....	Member of the Board of Directors of Belfius Bank (Independent Director)	Lawyer
Lutgart Van Den Berghe.....	Member of the Board of Directors of Belfius Bank (Independent Director)	Executive Director at Guberna and Extraordinary Professor at the Vlerick Business School
Rudi Vander Vennet .....	Member of the Board of Directors of Belfius Bank (Independent Director)	Full Professor in Financial Economics and Banking at the University of Ghent (UG) and Lecturer Banking and Insurance at Solvay Business School (ULB)

There are no potential conflicts of interest between any duties to Belfius Bank of the members of the Board of Directors and their private interests and other duties.

#### **7.9.2.2. Advisory committees set up by the board of directors**

The Board of Directors of Belfius Bank has 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. A Mediation Committee has also been established within 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**

The Nomination Committee consists of at least three (3) members appointed for a term not exceeding that of their Board of Directors membership, all being non-executive directors and a majority of them being independent directors. The chairman of the Board of Directors is a member of the Nomination Committee.

As of the date of this Base Prospectus, the Nomination Committee of Belfius Bank has the following membership:

<b>Name</b>	<b>Position</b>
Lutgart Van Den Berghe .....	Chairman – Director of Belfius Bank

<b>Name</b>	<b>Position</b>
Jozef Clijsters .....	Member – Chairman of the Board of Directors of Belfius Bank
Carine Doutrelepon .....	Member – Director of Belfius Bank
Johan Tack	Director of Belfius Insurance, invited as representative of Belfius Insurance

The members of the Nomination Committee have the required skills, on the basis of their education and 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 approval of the Shareholders Meeting 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 time commitment expected; the Nomination Committee also sets on a target for the representation of the underrepresented gender within the Board of Directors and prepares a policy on how to increase the number of underrepresented gender in order to meet that target;
- periodically, and at least annually, assesses the structure, size, composition and performance of the Board of Directors and makes recommendations to it with regard to any changes;
- periodically, and at least annually, assesses the knowledge, skills, experience, degree of involvement and in particular the attendance of members of the Board of Directors and advisory committees, both individually and collectively, and reports to the Board of Directors accordingly;
- periodically reviews the policies of the Board of Directors for selection and appointment of members of the Management Board, and makes recommendations to the Board of Directors;
- prepares proposals for the appointment or mandate renewal as the case may be of directors, members of the Management Board, the Chairman of the Board of Directors and the Chairman of the Management Board;
- assesses the aptitude of a director or a candidate director to meet the criteria set forth for being considered as an independent director;
- examines questions relating to problems with the succession of directors and members of the Management Board;
- establishes a general and specific profile for directors and members of the Management Board;
- ensures the application of provisions with regard to corporate governance;
- prepares proposals for amendments to the internal rules of the Board of Directors and the Management Board;
- assesses the governance memorandum and if necessary proposes amendments; and
- at least annually discusses and analyses the quantitative statement and qualitative analysis of communications regarding stress, burn-out and inappropriate behaviour at work and actions to be 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 whole.

The Nomination Committee may use any type of resources that it considers to be appropriate to the performance of its task, including external advice, and receives appropriate funding to that end.

The Nomination Committee acts for Belfius Bank, Belfius Insurance, Corona and Belfius Investment Partners.

## 2. *Remuneration committee*

The Remuneration Committee consists of at least three (3) members appointed for a term not exceeding that of their Board of Directors membership, all being non-executive directors and a majority of them being independent directors. The chairman of the Board of Directors is a member of the Remuneration Committee. As of the date of this Base Prospectus, the Remuneration Committee of Belfius Bank has the following membership:

Name	Position
Lutgart Van Den Berghe .....	Chairman – Director of Belfius Bank
Jozef Clijsters .....	Member – Chairman of the Board of Directors of Belfius Bank
Carine Doutrelepon .....	Member – Director of Belfius Bank
Johan Tack	Director of Belfius Insurance, invited as representative of Belfius Insurance

The members of the Remuneration Committee have the required skills, on the basis of their education 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 interacts regularly with the Risk Committee and the Audit Committee.

The Risk Committee ensures that the Belfius group’s risk management, capital requirements and liquidity position, as well as the probability and the spread in time of profit are correctly taken into consideration in decisions relating to remuneration policy.

The Audit Committee contributes to the establishment of objectives for the independent control function of the Auditor General.

The Remuneration Committee prepares the decisions of the Board of Directors by inter alia:

- Developing the remuneration policy, as well as making practical remuneration proposals for the chairman, the non-executive members of the Board of Directors and the members of the advisory committees under the Board of Directors. These remuneration proposals are discussed at the Board of Directors that submits them to the Shareholders’ Meeting for approval.
- Developing the remuneration policy as well as making practical proposals for the remuneration of the chairman of the Management Board and, on his proposal, for the remuneration of the members of the Management Board. The Board of Directors then determines the remuneration of the chairman and the members of the Management Board.

- Providing advice on the proposals made by the chairman of the Management Board of Belfius Bank in relation to the severance remuneration for members of the Belfius Bank Management Board. On the proposal of the remuneration committee, the Board of Directors of Belfius Bank determines the severance remuneration of the chairman and members of the Belfius Bank Management Board.
- Advising the Board of Directors in relation to the remuneration policy for employees whose activity has a material impact on the risk profile of the Belfius group (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 such people.
- Preparing the remuneration report approved by the Board of Directors and published in the annual report.
- Periodically checking to ensure that the remuneration programmes are achieving their objective and are in line with applicable conditions.
- Annually assessing the performance and objectives of the members of the Management Board.
- Providing an opinion of the elaboration of a global “Risk Gateway” in consultation with the Risk Committee, containing various levers applied at various points in the performance management cycle with an impact on determination of the variable remuneration.

The Remuneration Committee exercises direct supervision over the determination of objectives and remuneration of the individuals responsible for the independent control functions (Chief Risk Officer, General Auditor & the Compliance Officer).

The Remuneration Committee acts for both Belfius Bank, Belfius Insurance, Corona and Belfius Investment Partners.

### 3. *Audit committee*

The Audit Committee consists of at least three (3) members appointed for a term not exceeding that of their Board of Directors membership, all being non-executive directors and a majority of them must be independent directors.

As at the date of this Base Prospectus, the Audit Committee of Belfius Bank has the following membership:

<b>Name</b>	<b>Position</b>
Georges Hübner .....	Chairman Director of Belfius Bank
Paul Bodart .....	Member Director of Belfius Bank
Chris Sunt .....	Member Director of Belfius Bank

The majority of the members of the audit committee are independent within the meaning of Article 526ter of the Companies Code. Members of the audit committee have collective expertise in the field of the credit institution’s operations as well as in the area of accounting and audit and at least one member 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 meet jointly at least once a year. Additional joint meetings may be held at the request of the Chairman of the Audit Committee of Belfius Bank.

#### 4. *Risk Committee*

The Risk Committee consists of at least three (3) members appointed for a term not exceeding that of their Board of Directors membership, all being non-executive directors and a majority of them being an independent director.

As at the date of this Base Prospectus, the Risk Committee has the following membership:

<b>Name</b>	<b>Position</b>
Rudi Vander Vennet .....	Chairman Director of Belfius Bank
Georges Hübner .....	Member Director of Belfius Bank
Diane Rosen.....	Member Director of Belfius Bank
Chris Sunt .....	Member Director of Belfius Bank

The members of the Risk Committee have the individual expertise and professional experience required to define the strategy regarding risk and the level of risk appetite of Belfius Bank.

The Risk Committee has advisory powers and responsibilities with regard to the Board of Directors in the following areas:

- appetite and strategy regarding Belfius Bank’s current and future risks, more particularly the effectiveness of the risk management function and the governance structure to support them;
- monitoring implementation of risk appetite and strategy by the Management Board;
- allocating the risk appetite to various categories of risks and defining the extent and limits of risk in order to manage and restrict major risks;
- considering the risks run by Belfius Bank with its customer tariffs.
- assessing activities which expose Belfius Bank to real risks;
- supervising requirements in terms of capital and liquidity, the capital base and Belfius Bank’s liquidity situation;
- the guarantee 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
- monitoring the Internal Capital Adequacy Assessment Process (ICAAP) and the Recovery Plan.

The Risk Committee of Belfius Bank operates independently of the Risk and Underwriting Committee of Belfius Insurance. On the request of the Chairman of Belfius Bank’s committee, a joint Risk Committee of Belfius Bank and Belfius Insurance may be held. To promote sound remuneration policy and practices, subject



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 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 to take the form of a joint meeting.

#### **5. *Mediation Committee***

A Mediation Committee has been established within the Belfius group.

As at the date of this Base Prospectus, the Mediation Committee has the following membership:

<b>Chairman</b> .....	Jozef Clijsters Chairman of the Board of Directors of Belfius Bank and Belfius Insurance
<b>Members</b> .....	Jean-Pierre Delwart Independent Director Belfius Bank Johan Tack Independent Director Belfius Insurance

The Mediation Committee is responsible for passing opinions relating to material transactions or operations between, on the one hand, Belfius Bank and its subsidiaries and, on the other hand, Belfius Insurance and its subsidiaries, or between their respective subsidiaries. Such opinions are sent to the Board of Directors of the companies concerned, which will then take a definitive decision on the planned transaction or operation.

## 7.10. Selected financial information

### 7.10.1. Consolidated Balance Sheet

	Notes	31 December 2016	31 December 2017
<b>Assets</b>		<i>(in thousands of EUR)</i>	
Cash and balances with central banks.....	5.2.	5,111,050	10,236,669
Loans and advances due from banks.....	5.3.	22,002,553	14,121,427
Loans and advances to customers .....	5.4.	89,702,399	90,056,926
Investments held to maturity.....	5.5.	5,393,247	5,441,999
Financial assets available for sale .....	5.6.	18,819,789	17,982,597
Financial assets measured at fair value through profit or loss .....	5.7.	2,985,979	3,240,298
Derivatives .....	5.9.	25,307,222	20,303,034
Gain/loss on the hedged item in portfolio hedge of interest rate risk.....	5.9.	4,533,779	3,720,764
Investments in equity method companies .....	5.10.	97,044	31,481
Tangible fixed assets.....	5.11.	1,091,687	1,059,212
Intangible assets .....	5.12.	122,541	162,074
Goodwill .....	5.13.	103,966	103,966
Current tax assets .....		10,662	20,343
Deferred tax assets .....	5.14.	405,847	235,399
Other assets.....	5.15.	1,004,389	1,224,230
Non current assets (disposal group) held for sale and discontinued operations .....	5.16.	28,772	18,782
<b>Total assets</b> .....		<b>176,720,926</b>	<b>167,959,201</b>
	Notes	31 December 2016	31 December 2017
<b>Liabilities</b>		<i>(in thousands of EUR)</i>	
Due to banks .....	6.1.	12,581,830	11,109,893
Customer borrowings and deposits .....	6.2.	74,171,040	76,274,483
Debt securities .....	6.3.	23,981,430	22,027,063
Financial liabilities measured at fair value through profit or loss.....	6.4.	7,524,251	8,892,710
Technical provisions of insurance companies.....	6.5.	15,990,324	15,149,692
Derivatives .....	5.9.	29,572,521	21,264,032

	Notes	31 December 2016	31 December 2017
Gain/loss on the hedged item in portfolio hedge of interest rate risk.....	5.9.	207,474	105,017
Provisions and contingent liabilities .....	6.6.	412,243	425,300
Subordinated debts.....	6.7.	1,398,653	1,198,968
Current tax liabilities .....		60,609	51,351
Deferred tax liabilities .....	5.13.	272,877	176,964
Other liabilities .....	6.8.	1,535,952	1,762,321
Liabilities included in disposal group and discontinued operations.....		0	0
<b>Total liabilities</b> .....		<b>167,709,206</b>	<b>158,437,793</b>

	Notes	31 December 2016	31 December 2017
<b>Equity</b>		<i>(in thousands of EUR)</i>	
Subscribed capital .....		3,458,066	3,458,066
Additional paid-in capital.....		209,232	209,232
Treasury shares .....		0	0
Reserves and retained earnings .....		4,491,306	4,811,537
Net income for the period .....		535,229	605,502
<b>Core shareholders' equity</b> .....		<b>8,693,833</b>	<b>9,084,337</b>
Remeasurement available-for-sale reserve on securities...		729,864	812,081
Frozen fair value of financial assets reclassified to loans and advances .....		(498,653)	(474,031)
Remeasurement defined benefit plan.....		86,990	112,998
Discretionary participation features of insurance contracts .....	6.5.	32,839	0
Other reserves .....		(33,326)	(14,147)
<b>Gains and losses not recognised in the statement of income</b> .....		<b>317,714</b>	<b>436,901</b>
<b>Total shareholders' equity</b> .....		<b>9,011,547</b>	<b>9,521,237</b>
Non-controlling interests .....		173	171
<b>Total Equity</b> .....		<b>9,011,720</b>	<b>9,521,408</b>
<b>Total Liabilities and Equity</b> .....		<b>176,720,926</b>	<b>167,959,201</b>

### 7.10.1. Consolidated Statement of Income

	Notes	31 December 2016	31 December 2017
		<i>(in thousands of EUR)</i>	
Interest income.....	7.1.	3,983,201	3,561,100
Interest expense.....	7.1.	(2,039,969)	(1,609,627)
Dividend income.....	7.2.	88,233	73,083
Net income from equity method companies .....	7.3.	5,018	4,195
Net income from financial instruments at fair value through profit or loss.....	7.4.	16,870	46,143
Net income on investments and liabilities .....	7.5.	115,710	173,958
Fee and commission income .....	7.6.	625,109	721,472
Fee and commission expense.....	7.6.	(117,639)	(168,809)
Technical result from insurance activities.....	7.7	(254,779)	(208,814)
Gross earned premiums .....		1,386,144	1,451,024
Other technical income and charges .....		(1,640,923)	(1,659,838)
Other income .....	7.8.	218,785	141,895
Other expense .....	7.9.	(381,267)	(379,913)
<b>Income</b> .....		<b>2,259,271</b>	<b>2,354,682</b>
Staff expense.....	7.10.	(580,201)	(562,324)
General and administrative expense.....	7.11.	(447,364)	(479,313)
Network costs .....		(265,994)	(243,300)
Depreciation and amortisation of fixed assets.....	7.12.	(72,722)	(83,672)
<b>Expenses</b> .....		<b>(1,366,281)</b>	<b>(1,368,608)</b>
<b>Gross operating income</b> .....		<b>892,990</b>	<b>986,074</b>
Impairments on financial instruments and provisions for credit commitments.....	7.13.	(115,969)	(33,013)
Impairments on tangible and intangible assets.....	7.14.	2,502	9,467
Impairments on goodwill .....	7.15.	0	0
<b>Net income before tax</b> .....		<b>779,524</b>	<b>962,528</b>
Current tax (expense) income .....	7.16.	(56,522)	(191,258)
Deferred tax (expense) income .....	7.16.	(187,750)	(165,749)
<b>Net income after tax</b> .....		<b>535,251</b>	<b>605,522</b>
Discontinued operations (net of tax).....		0	0
<b>Net income</b> .....		<b>535,251</b>	<b>605,522</b>

<b>Notes</b>	<b>31 December 2016</b>	<b>31 December 2017</b>
	<i>(in thousands of EUR)</i>	
Attributable to non-controlling interests .....	23	20
Attributable to equity holders of the parent .....	535,229	605,502

# 8. TERMS AND CONDITIONS OF THE WARRANTS

(Annex XII.4 of Regulation (EC) 809/2004)

The following is the text of the terms and conditions (the “**Terms and Conditions**”, each chapter or subchapter individually referred to as “**Condition**”) of the Warrants, subject to completion and amendment and as supplemented or varied in accordance with the relevant provisions of the Final Terms. In the event of any inconsistency between the provisions of the Final Terms and the other provisions of this Programme, the Final Terms will prevail. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms.

References in the Terms and Conditions to the Warrants are to the Warrants of one Series only, not to all Warrants that may be issued under the Programme.

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

To the extent applicable, the Issuer and the Calculation Agent undertakes to comply with Book VI of the Belgian Code of Economic Law (“**CEL**”) in respect of Warrants issued under the Programme and placed in the framework of a public offer in Belgium. For this purpose, a public offer has the meaning set forth in Article 3 of the Belgian Act of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market.

In accordance with Articles I.8.22° and VI.82 to VI.84 of the Belgian Code of Economic Law, the Issuer may not make a unilateral modification of a product if it concerns an essential feature of the product, unless to make modifications to the Warrants that would allow the rights and obligations under the Warrants to be exercised and performed by the Warrant Holders in view of realising a return to the extent possible in accordance with the initially agreed terms and contractual equilibrium, and provided the following cumulative conditions are met:

- (i) it is limited to events of force majeure or other events which significantly modify the economy of the contract and for which the Issuer is not responsible;
- (ii) the modification itself is not significant, so that it does not create an imbalance between the rights and obligations of the parties, to the detriment of the Warrant Holders. The Issuer must take all measures and make every effort to continue the product under similar circumstances; and
- (iii) no costs are charged to the Warrant Holders.
- (iv) the contract term must be drawn up in a plain and intelligible manner

The Conditions that grant or may grant the Issuer and/or the Calculation Agent a unilateral right to modify certain features of the Warrants are :

- (a) Condition 8.7.1 (Change of law)
- (b) Condition 8.7.2. (Cancellation option upon change of Investment Strategy);
- (c) Condition 8.9 (Market Disruption Event or settlement disruption event);
- (d) Condition 8.10.1 (Potential Adjustment Event);
- (e) Condition 8.10.2 (De-Listing, Insolvency, Merger Event or Nationalisation).

The early termination features of the Warrants provided by this Chapter 8, including upon a change in the Investment Strategy as defined under section 8.7.2. ("Cancellation option upon change of investment strategy") of the Base Prospectus, are only possible upon (i) events of force majeure or other events which significantly modify the economy of the Warrant and for which the Issuer is not responsible (ii), except in the case of force majeure, the Issuer is required to indemnify the Warrant Holder for the loss suffered by the Warrant Holder because of the early termination; (iii) the condition that no costs are charged to the Warrant Holder and (iv) a pro rata refund of the costs already borne by the investor (in the proportion (total initial term minus elapsed period)/total initial term), must be provided for.

When the early termination features of the Warrants provided by this Chapter 8 occur, the Issuer shall pay in accordance with the indemnification-principle laid down in article VI.83. 10° CEL, at least the Fair Market Value of the Warrant. **Fair Market Value** means the valuation using (i) the most relevant available market data, or, (ii) if no such relevant data may be found at the relevant time, a valuation mathematical model generally accepted in the financial sector that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Reference is made to the valuation principles laid down in section 8.6.1 below.

The Conditions that grant or may grant the Issuer and/or the Calculation Agent a right to terminate and cancel the Warrants under certain circumstances are :

- (a) Condition 8.7.1 (Change of law)
- (b) Condition 8.7.2. (Cancellation option upon change of Investment Strategy);
- (c) Condition 8.10.2 (De-Listing, Insolvency, Merger Event or Nationalisation).

### *8.1. Form, Issue Price and Title*

The Warrants are issued in dematerialised form in the Denomination(s) specified in the relevant Final Terms. The Issue Price of the Warrants will be at least EUR 10,- (Commission included).

The Warrants will not be physically delivered. They will be held on a global securities account with Belfius Bank, and only respectively assigned to Warrant Holders via an electronic platform managed by Belfius Bank and accessible by every Warrant Holder. Belfius Bank will not charge any fees for Warrants held in the aforementioned global securities account.

The Warrants will be call warrants, meaning that they represent the right to buy shares of the Underlying Value.

These Warrants can be exercised during the Exercise Period. Consequently, the only means through which the Warrant Holder can realize value from the Warrant prior to the Exercise Date is to sell it through the secondary market.

The issue of the Warrants has been authorized by resolutions of the Issuer, as will be specified in the relevant Final Terms.

### *8.2. Governing law and jurisdiction*

The Warrants are governed by the laws of Belgium. All disputes arising out of or in connection with the Warrants shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

### *8.3. Currency*

The Warrants are issued in EUR and their value will always be expressed in EUR.

### *8.4. Definitions*

The terms used in this Base Prospectus shall have the meaning as expressed hereunder, unless defined otherwise in this Base Prospectus. The definitions do not apply to terms used in the extracts and press releases that, as the case may be, are mentioned in this Base Prospectus.

<b>At-the-money</b>	: A call option with a Strike Price that is equal to the market price of the Underlying Value.
<b>Base Prospectus</b>	: the present document, including, for the avoidance of doubt, the Summary, any of its Annexes or, as the case may be, subsequent supplements, which together constitute a base prospectus for the purposes of the articles 29 and 49 of the Prospectus Law of 16 June 2006;
<b>Belfius Bank</b>	: Belfius Bank NV/SA, a limited liability company of unlimited duration incorporated under Belgian law and registered under the number 0403.201.185 and having its registered office at Place Charles Rogier 11, B-1210 Brussels;
<b>Calculation Agent</b>	: Belfius Bank NV/SA (abbreviated as “Belfius Bank”), unless specified otherwise in the relevant Final Terms;
<b>Commission</b>	: The commission included in the Issue Price, as specified under the relevant Final Terms;
<b>Company Code</b>	: The Belgian company code, introduced by the Law of 7 May 1999 (as amended);
<b>De-listing</b>	: Means that the Shares ceases, for any reason, to be listed on the Related Exchange;
<b>Disrupted Day</b>	: Any scheduled trading day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;
<b>Early Closure</b>	: The closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its scheduled closing time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the scheduled closing time on such Exchange Business Day;
<b>Early Termination Amount</b>	: Means that, if the Warrants, are cancelled the Issuer will pay an amount to each Warrant Holder in respect of each Warrant held by such Warrant Holder which amount shall be the Fair Market Value of a Warrant. The Issuer will also take into account the Merger Event, De-listing, Nationalization or Insolvency, the value of the Underlying Value, the volatility of the Underlying Value, the time remaining to the Maturity Date, the characteristics of the Underlying Value, the dividends of the Underlying Value, any changes of interest rates, any change in currency exchange rates, the liquidity of the Underlying Value and any related



transaction costs as the case may be and as applicable. **Fair Market Value** means the valuation using (i) the most relevant available market data, or, (ii) if no such relevant data may be found at the relevant time, a valuation mathematical model generally accepted in the financial sector that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Reference is made to the valuation principles laid down in section 8.6.1 below.

- Exchange** : Each exchange or quotation system, any successor or any substitute exchange or quotation system, including for the avoidance of doubt but without limitation, any regulated market;
- Exchange Business Day** : A day on which the Exchange is open for business;
- Exchange Disruption** : Any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange;
- Exercise** : Delivery of the Underlying Value against payment of the Strike Price. The request to Exercise needs to be submitted during the Exercise Period;
- Exercise Date** : Date during the Exercise Period on which the Warrants are exercised;
- Exercise Period** : Each business day on which commercial banks in Belgium are open for business from (and including) the date as specified in the relevant Final Terms until (but excluding) the Maturity Date;
- Final Terms** : The document containing the specific final terms relating to a specific series of the Warrants;
- FSMA** : The Financial Services and Markets Authority (*Autorité des services et marchés financiers/ Autoriteit voor Financiële Diensten en Markten*) designated by the Prospectus Law of 16 June 2006 as the authority competent to approve this Base Prospectus;
- IFRS** : International Financial Reporting Standards;
- Insolvency** : Means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting the SICAV (i) all the Shares are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares become legally prohibited from transferring them;
- In-the-money** : A call option with a Strike Price that is below the market price of the

	Underlying Value.
<b>Issue Date</b>	: The issue date specified as such in the relevant Final Terms;
<b>Issue Price</b>	: The issue price specified as such in the relevant Final Terms;
<b>Issuer</b>	: Belfius Bank;
<b>Market Disruption Event</b>	: Means in respect of any Share, the occurrence or existence of (i) a Trading Disruption, (ii) any disruption that affect a relevant Exchange which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant scheduled closing time or (iii) an Early Closure;
<b>Maturity Date</b>	: The maturity date specified as such in the relevant Final Terms;
<b>Merger Date</b>	: Means, in respect of a Merger Event, the date upon which all holders of Shares (other than, in the case of a takeover offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares;
<b>Merger Event</b>	: Means any (i) reclassification or change of Shares that results in a transfer of or an irrevocable commitment to transfer all Shares outstanding, (ii) consolidation, amalgamation or merger of the SICAV with or into another entity (other than a consolidation, amalgamation or merger in which the SICAV is the continuing entity and which does not result in any such reclassification or change of all Shares outstanding) or (iii) other takeover offer for Shares that results in a transfer of or an irrevocable commitment to transfer all Shares (other than Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date in respect of the relevant Warrant;
<b>Nationalization</b>	: Means that all the shares or all the assets or substantially all the assets of the SICAV are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;
<b>Offer</b>	: Any offer on the basis of and, in accordance with, this Base Prospectus and the relevant Final Terms;
<b>Offering Period</b>	: The offering period specified as such in the relevant Final Terms;
<b>Out-of-the-money</b>	: A call option with a Strike Price that is higher than the market price of the Underlying Value;
<b>Parity</b>	: The number of Warrants necessary to buy an Underlying Value at the payment of the Strike Price, specified as such in the relevant Final Terms;
<b>Potential Adjustment Event</b>	: Means any of the following: (i) a subdivision, consolidation or reclassification of Shares (unless a Merger Event) or a free distribution or dividend of Shares to existing

holders by way of bonus, capitalization or similar issue;

(ii) a distribution or dividend to existing holders of Shares of (a) Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the SICAV equally or proportionately with such payments to holders of Shares or (c) any other type of securities, rights or price as determined by the Calculation Agent;

(iii) an extraordinary dividend (provided that any ordinary dividend, whether or not in the form of cash, will not be considered as a Potential Adjustment Event);

(iv) a repurchase by the SICAV of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(v) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares;

<b>Prospectus Law of 16 June 2006</b>	: The Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market (as amended);
<b>Related Exchange</b>	: Means, in respect of the Warrant, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Warrant;
<b>Share</b>	: The Underlying Value, specified as such in the relevant Final Terms;
<b>SICAV</b>	: Belfius Equities, a UCITS duly registered under the laws of Belgium under the Crossroad bank for enterprises' number 444.229.910, with multiple compartments, incorporated for an indefinite duration.
<b>Strike Price</b>	: The Strike Price is equal to the net asset value of the Underlying Value, specified as such in the relevant Final Terms;
<b>Summary</b>	: The summary of the Base Prospectus as such term is used in the Prospectus Law of 16 June 2006;
<b>Trading Disruption</b>	: Any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Warrant on the relevant Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange;
<b>Underlying Value</b>	: a class C share of the compartment Belfius Equities Europe Conviction (capitalisation) (Code ISIN: BE0945524651; Code Bloomberg: DEXBEUR BB), within Belfius Equities sicav, a UCITS duly registered under the laws of Belgium under the Crossroad bank for enterprises'

number 444.229.910, with multiple compartments, incorporated for an indefinite duration;

- Valuation Date** : Means in respect of any exercised Warrant, the Maturity Date in respect of such Warrant;
- Warrant** : Means a warrant that is offered pursuant to this Base Prospectus and the relevant Final Terms. The Warrant will be a call warrant, meaning that it represent the right to buy shares of the Underlying Value.
- Warrant Holder** : A person holding Warrants through a participant or, in the case a participant acts on its own account, that participant.

## *8.5. Exercise Procedure*

### *8.5.1. Exercise Notice*

The day on which the Warrants are exercised is called the Exercise Date and falls within the Exercise Period. In order to exercise the Warrants the Warrant Holder shall, at the earliest at the start of the Exercise Period and at the latest on the day before the Maturity Date, notify its decision to the Issuer exclusively via an electronic platform managed by Belfius Bank and accessible by every Warrant Holder.

There are no costs related to the Exercise other than the ordinary charges related to the acquisition of the Underlying Value, as may exist at such time. As of the date of this Base Prospectus, such costs do not exceed 2.5% of the amount so acquired, with a minimum of 100 EUR per transaction.

If not exercised in accordance with the Terms and Conditions during the Exercise Period, a Warrant will become void and expire worthless.

Besides the Exercise, a Warrant Holder may also sell Warrants to the Issuer on the secondary market. In such case the selling price of a Warrant will be determined in good faith by the Issuer in accordance with the principles laid down in section 8.6.1 below.

### *8.5.2. Settlement*

Belfius Bank will deliver the Underlying Value to a securities account chosen by the Warrant Holder or which must be opened by the investor for this purpose. In case the amount of Warrants exercised is inferior to the parity, Belfius Bank will proceed to a settlement in cash by transfer to the cash account indicated by the Warrant Holder.

### *8.5.3. Consequence of the Exercise*

The Exercise is irrevocable.

### *8.5.4. Exercise period*

The Exercise Period is defined in the relevant Final Terms.

## *8.6. Further information relating to the Warrants*

### *8.6.1. Information relating to the pricing of the Warrants*

The value of the Warrants is determined, as with options, by valuation models for options (for example, the 'Black & Scholes' model, trinomial model,...). This value is determined by different variables. The impact of some of these variables can be described as follows:

- The value of the Underlying Value: the value of the Warrant increases if the Underlying Value's value increases in respect to the Strike Price.
- The Strike Price: the value of the Warrant increases if the Underlying Value's value increases in respect to the Strike Price.
- The volatility: the value of the Warrant varies according to the expected volatility of the Underlying Value's value until Maturity Date. The volatility is the change in the value of the Underlying Value calculated over a fixed time interval. The probability of a Warrant being more in-the-money is higher if the Underlying Value is highly volatile (i.e. if it has a large number of substantial price movements), than when the Underlying Value is little volatile. Accordingly, the value of a Warrant will increase if the volatility of the Underlying Value increases.
- The remaining maturity: the longer the remaining maturity (until Maturity Date) of a Warrant, the greater the probability of the Warrant being in-the-money at a certain point in time during this remaining maturity. Therefore under normal circumstances, the value of the Warrant with a longer remaining maturity will be greater than the value of a Warrant with a shorter remaining maturity. In short, the value of the Warrant decreases if the remaining maturity diminishes.
- The interest rate for the remaining maturity: the value of the Warrant increases if the interest rate until Maturity Date increases.

Investors may find information about the historical returns of the Underlying Value on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu/security/LU0461106337/249540>) or, if such information cannot be consulted on the website, through a written request at the corporate seat of the Issuer.

**Investors should take into consideration that all variables mentioned above may each influence the value of the Warrant independently. In practice, any of these variables can vary at the same time. Consequently, the change in the value of the Warrant can only be determined by taking into consideration the combined effect of the changes in value of each of these variables separately.**

### *8.6.2. Information relating to the behaviour of the Warrants*

Generally, the (non-)occurrence of anticipated fluctuations in the price of the Underlying Value may disproportionately affect the value of Warrants. Warrants may expire worthless if the Underlying Value does not perform as anticipated. If not exercised in accordance with the Terms and Conditions during the Exercise Period, a Warrant will become void and expire worthless. In order to recover and realize a return upon its investment, a Warrant Holder must be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Value. Warrant Holders should also consider that the return on the investment in Warrants is reduced by the costs in connection with the purchase, exercise and/or sale of the Warrants. A general description of these costs is provided in section 8.6.3 below.

More in particular, investing in a Warrant allows the Warrant Holder to exercise its option(s) in case the Underlying Value price fixes above the Strike Price during the Exercise Period (i.e. in-the-money). The Warrant Holder benefits in this case of the increase of the Underlying Value. Should the fixing occur below the Strike Price during the Exercise Period (i.e. out-the-money), the loss is then limited to the original premium paid to acquire the options. The Warrant Holder may also benefit (suffer) from a positive (negative) evolution of the price of the Warrant during its lifetime.

The Warrant has a leverage effect. This means that any variation in the price of the Underlying Value is in theory amplified.

A Warrant's leverage effect is determined by applying the following formula:

$$(\text{Leverage} = \partial P / \partial S \times S / P)$$

where:

S = the price of the Underlying Value

P = the value of the Warrant

The ratio  $\partial P/\partial S$ , which is called the Delta of the Warrant, is the degree to which the Warrant changes value divided by the degree to which the Underlying Value changes value.  $\partial P/\partial S$  is not a constant, and the ratio changes throughout the term of the Warrant.

As and when the leverage effect approaches 1, a Warrant behaves more and more like the Underlying Value, and the risk associated with the Warrant is therefore almost the same as the risk associated with retaining that Underlying Value. The above formula reveals that the leverage tends towards 1 if the Delta of the Warrant,  $\partial P/\partial S$ , and S/P tend towards 1. Both ratios move towards 1 as and when, among other things, the Warrant's term gets longer and therefore the Warrant's initial time value rises.

The Warrants issued by Belfius Bank have a long term. The unavoidable consequence of this is that the initial leverage effect of the Warrant is significantly higher than 1. That also remains so for a large part of the lifetime of the Warrant.

In addition, more than one Warrant may be necessary to buy an Underlying Value at the payment of the Strike Price. The number of Warrants necessary to buy an Underlying Value at the payment of the Strike Price will be specified as such in the relevant Final Terms (the "Parity").

### *8.6.3. Costs in connection with the purchase, exercise and/or sale of the Warrants*

Subscribers to Warrants shall pay the Issue Price as specified in the relevant Final Terms. The Issue Price is paid by the employer not by the employee who has accepted the offer of the Warrants. There are no additional costs of subscription. The costs and taxes associated with the acquisition of an Underlying Value at the date of the Base Prospectus are set at a maximum of 3%.

In respect of the Exercise of a Warrant during the Exercise Period, the Warrant Holder has to pay the Strike Price specified in the relevant Final Terms. The Strike Price is equal to the net asset value of the Underlying Value, specified as such in the relevant Final Terms. By exercising Warrants, the Warrant Holder purchases the Underlying Value at the Strike Price for an amount of Warrants corresponding to the Parity as specified in the relevant Final Terms. In addition, the Warrant Holder shall pay the applicable fees and taxes related to a subscription in the Underlying Value, as may exist at such time.

A Warrant Holder may also sell Warrants to the Issuer during the entire term of the Warrants irrespective of the applicable Exercise Period. In such case the selling price of a Warrant will be determined in good faith by the Issuer in accordance with the principles laid down in section 8.6.1 above. There are no additional costs related to such a sale. In addition, the Warrant Holder shall pay the applicable taxes related to such a sale, as specified in section 8.15.2 below.

## *8.7. Cancellation*

The early termination features of the Warrants specified below are only possible upon (i) events of force majeure or other events which significantly modify the economy of the Warrant and for which the Issuer is not responsible (ii), except in the case of force majeure, the Issuer is required to indemnify the Warrant Holder for the loss suffered by the Warrant Holder because of the early termination; (iii) the condition that no costs are charged to the Warrant Holder and (iv) a pro rata refund of the costs already borne by the investor (in the proportion (total initial term minus elapsed period)/total initial term), such as, commissions, or if already paid, the Actual Exercise Price, the Exercise Cost and the Exercise Expense, must be provided for.

### *8.7.1. Cancellation upon change of law*

The Issuer will cancel the Warrants upon the occurrence of a change of law rendering illegal the execution by it of its obligations arising out of this Base Prospectus and/or the relevant Final Terms in accordance with section 8.10.2 (ii) below. The principles enumerated in the preamble to this Chapter 8 shall apply.

### *8.7.2. Cancellation option upon change of Investment Strategy*

Upon the occurrence of a change of investment strategy enacted by the management bodies of the Underlying Value (the “**Investment Strategy**”), the Issuer may cancel Warrants in accordance with section 8.10.2 (ii) below. The principles enumerated in the preamble to this Chapter 8 shall apply.

### *8.7.3. Discharge upon cancellation*

Any Warrants so cancelled in accordance with this Condition may not be reissued or resold and the obligations of the Issuer in respect of any such Warrants shall be *de iure* fully discharged upon payment of the Early Termination Amount and of the loss incurred by the Warrant Holders. The principles enumerated in the preamble to this Chapter 8 shall apply.

## *8.8. Payment*

Subscribers to Warrants shall pay the Issue Price on the subscribed Warrants in cash.

Any amounts payable by the Issuer in respect of the Warrants, shall be made by transfer to the cash account indicated by the Warrant Holders, subject to all applicable laws and regulations.

If the date for payment due to the Warrant Holders is a day, which is not a business day in the place of payment, the Warrant Holders shall not be entitled to payment until the next business day, unless otherwise specified in the relevant Final Terms.

## *8.9. Description of market disruption event or settlement disruption that affects the Underlying Value*

“**Market Disruption Event**” means in respect of the Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant scheduled closing time or (iii) an Early Closure.

If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding scheduled trading day that is not a Disrupted Day, unless each of the eight scheduled trading days immediately following the original Valuation Date is a Disrupted Day. In that case, (i) that eighth scheduled trading day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine, its good faith estimate of the value of the Share as of the scheduled closing time on that eighth scheduled trading day.

For the avoidance of doubt, the Valuation Date for the Share not affected by the occurrence of a Disrupted Day shall be the original Valuation Date.

## *8.10. Adjustments to the Underlying Value*

The adjustments features of the Warrants specified below are only possible, for essential features of the product, if such modification would allow the rights and obligations under the Warrants to be exercised and performed by the Warrant Holders in view of realising a return to the extent possible in accordance with the initially agreed terms and contractual equilibrium, and provided the following cumulative conditions are met: (i) it is limited to events of force majeure or other events which significantly modify the economy of the contract and for which the Issuer is not responsible; (ii) the modification itself is not significant, so that it does not create an imbalance between the rights and obligations of the parties, to the detriment of the Warrant Holders. The Issuer must take all measures and make every effort to continue the product under similar circumstances; (iii) no costs are charged to the Warrant Holders, and (iv) the contract term must be drawn up in a plain and intelligible manner

### *8.10.1. Adjustments in case of the occurrence of a Potential Adjustment Event*

Following the declaration by the SICAV of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical

value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of that adjustment (provided that no adjustment will be made as a result of any payment of an ordinary dividend, whether or not in the form of cash). The principles enumerated in the preamble to this Chapter 8 shall apply.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Warrant Holders, stating the adjustment to the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

#### *8.10.2. Adjustments in case of the occurrence of a change in Investment Strategy, De-listing, Insolvency, Merger Event or Nationalization*

If a change in the Investment Strategy as defined under section 8.7.2. ("Cancellation option upon change of investment strategy"), a De-listing, Insolvency, Merger Event or Nationalization occurs in relation to the Underlying Value, the Issuer may take the action described in (i) or (ii) below:

(i) require the Calculation Agent to determine the unilateral modification, if any, of the Terms and Conditions and/or the applicable Final Terms to account for the change in Investment Strategy, Merger Event, De-listing, Nationalization or Insolvency, as the case may be, and determine the effective date of that unilateral modification PROVIDED HOWEVER that in doing so the Calculation Agent may only make a unilateral modification if three cumulative conditions are met:

- (x) Change in Investment Strategy, Merger Event, De-listing, Nationalization or Insolvency, as the case may be, significantly modifies the economy of the Warrant and for which the Issuer is not responsible;
- (y) the unilateral modification itself is not significant, so that it does not create an imbalance between the rights and obligations of the parties, to the detriment of the Warrant Holders. The Issuer must take all measures and make every effort to continue the Warrant under similar circumstances; and
- (z) no costs are charged to the Warrant Holders; or

(ii) cancel the Warrants by giving notice if no adjustment could be made under (i) above. If the Warrants are so cancelled the Issuer will pay the Early Termination Amount. If the Early Termination Amount is zero or negative, no payment will be due. Payments will be made in such manner as shall be notified to the Warrant Holders. The principles enumerated in the preamble to this Chapter 8 as well as in section 8.7 shall apply.

Upon the occurrence of a change in Investment Strategy, Merger Event, De-listing, Nationalization or Insolvency, the Issuer shall give notice as soon as practicable to the Warrant Holders stating the occurrence of a change in Investment Strategy, the Merger Event, De-listing, Nationalization or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

#### *8.11. Rounding*

For the purposes of any calculations required pursuant to these Terms and Conditions (unless otherwise specified in the relevant Final Terms), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), and (ii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes “unit” means, the lowest amount of such currency that is available as legal tender in the country of such currency.



## 8.12. Status of Warrants

The Warrants and the payments relating to them are direct, unconditional and unsecured obligations of the Issuer and rank at all times *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights. This category can be seen as the "ordinary creditors" and may be qualified as "Preferred Senior creditors", being the creditors related under article 389/1, 1° of the banking law. Such creditors have a higher priority ranking than the so-called non-preferred senior creditors defined under article 389/1, 2° of the banking law.

## 8.13. Responsibility of the Calculation Agent

In relation to each issue of Warrants, the Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrant Holders. All calculations and determinations made in respect of the Warrants by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrant Holder. The foregoing, does not prejudice nor limit any remedy the Warrant Holder may have under applicable law against the Issuer regarding acts or omissions of the Calculation Agent.

## 8.14. Notices

The Warrants being held in a global securities account, all notices from Belfius Bank to the Warrant Holders shall be validly given by a direct notification on an electronic platform managed by Belfius Bank and accessible by every Warrant Holder, each time as the Issuer in his discretionary opinion shall deem necessary to give fair and reasonable notice to the Warrant Holders. The Warrant Holder will be notified of his or her existing position at least once a year.

Any such notice shall be deemed to have been given on the date immediately following the date of notification from Belfius Bank.

## 8.15. Taxation

### *BELGIAN TAXATION ON THE WARRANTS*

The following is a general description of the principal Belgian tax consequences for investors receiving, holding or disposing of, the Warrants issued by Belfius Bank and is of a general nature based on the Issuer's understanding of current law and practice. This general description is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Warrants issued by Belfius Bank under the laws of their countries of citizenship, residence, ordinary residence or domicile.

For a description of the tax regime of the Shares to be received upon exercise of the Warrants, we refer to the prospectus pertaining to the Shares.

### 8.15.1. Belgian income tax

#### **8.15.1.1. Belgian resident individuals**

Individuals who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax ("*Personenbelasting*" / "*Impôt des personnes physiques*") and who hold the Warrants as a private investment, are subject to the following tax treatment with respect to the Warrants. Other tax rules apply to Belgian resident individuals who do not hold the Warrants as a private investment.

- a) Belgian resident individuals (employees) who receive the Warrants as a benefit in kind from their employer:

The acquisition of the Warrants by an employee from its employer for no consideration constitutes a benefit in kind for the employee. Provided the employer has made a written and dated offer of the Warrants to the employee and the employee has accepted this offer in writing at the latest the 60th day (in practice: the 10th day) following the day of the offer, the taxable benefit in kind is determined according to the Belgian Act of 26 March 1999. The taxable benefit has to be determined on the basis of the rule applicable to options quoted on a stock-exchange. Indeed, a “stock exchange” is defined, for the purposes of the Act of 26 March 1999, as “any regulated market or any other public, regularly functioning market” (article 41, 5° of the Act of 26 March 2014). The employees who wish to sell the Warrants can sell the Warrants to Belfius Bank. Belfius Bank publishes, on a daily basis, a purchase price for the Warrants. This purchase price is based on a generally recognised economic valuation method (such as the Black-Scholes formula). This has to be considered as a “regularly functioning market” for the application of the Act of 26 March 1999 (as confirmed by the Belgian ruling commission in the case at hand). As a consequence, the amount of the taxable benefit is the last price published by Belfius on its internet site on the day before the offer. (by application of article 43 § 2 of the Act of 26 March 1999). This price will be equal to the market value of the warrants, determined on the basis of the standard procedure. The benefit in kind is taxable on the date of attribution, which is irrefutably deemed to be the 60th day following the date of the offer of the Warrants. The benefit in kind is taxable as professional income, at the full personal income tax rate.

The benefit realised upon disposal or upon exercise of the Warrants, is not taxable as professional income, nor as miscellaneous income (article 90, 1° and 13° Belgian Income Tax Code). A loss realised upon disposal of the Warrants is not tax deductible.

The Belgian Revenue may however take the position that the Act of 26 March 1999 is not applicable, in case:

- the Warrants replace a remuneration in violation of the hierarchy of sources of entitlements, as defined in article 51 of the Act of 5 December 1968;
- the Warrants replace a remuneration to which the beneficiary was entitled, and to which the beneficiary has renounced when the remuneration was already earned;
- the Warrants replace a the monthly (fixed or variable) basic wage, the holiday allowance, or the year-end bonus up to the 13th month;
- the Warrants are granted to a person to which the employer has notified a dismissal;
- for new labour contracts, the Warrants replace a the monthly (fixed or variable) basic wage, the holiday allowance, or the year-end bonus up to the 13th month that is usually granted in the enterprise for the concerned category of employees;
- the granting of Warrants is disproportionate (due to its amount or frequency) compared to the usually attributed remuneration. The Belgian Revenue considers that the granting of Warrants is disproportionate, when the amount thereof exceeds 20 % of the 12,92 times the gross monthly wage (including holiday allowance), plus the 13<sup>th</sup> month and the gross variable wage.

In these cases, the tax treatment may be different than described above.

b) Belgian resident individuals who acquire the Warrants in a different way than as a benefit in kind:

Belgian resident individuals who acquire the Warrants in a different way than as a benefit in kind, and hold the Warrants as a private investment, are not taxable on a capital gain realised on the Warrants, provided the capital gain results from the normal administration of a private estate. A capital loss realised up disposal of the Warrants is not tax deductible. The benefit realized upon exercise of the Warrants, is not taxable.

#### **8.15.1.2. Belgian resident companies**

In case a company grants Warrants as a form of remuneration (benefit in kind) to its employees, the company can deduct the acquisition costs of the Warrants as paid wages. The employer granting the Warrants has to mention the benefit in kind resulting of the grant of the Warrants, on the individual payment slips (281.10 and records 325.10), otherwise the benefit in kind could be subject to the special assessment on secret commissions in the hands of the employer (at the rate of 102%). Moreover, the employer has to pay to the Revenue the

professional withholding tax on the benefit in kind. If the employee does not reimburse the amount of the professional withholding tax to the employer, the professional withholding tax may have to be grossed-up.

If the company does not grant the Warrants as a form of remuneration to its employee, but would sell them and realise a capital gain, that capital gain would be fully subject to corporate tax. A capital loss recorded or realised on the Warrants would be tax deductible.

### **8.15.1.3. Belgian non-residents**

Individuals that are non-residents of Belgium for Belgian tax purposes and who receive Warrants as a benefit in kind from an employer that is a Belgium resident individual, a Belgium resident company, a Belgian public authority or a Belgian permanent establishment of a foreign company, are subject to tax on the benefit in kind, according to the same rules as described above under 8.15.1.1.a). These individuals should however verify the impact of Double Taxation Conventions on their personal tax situation.

Warrant Holders who are not resident of Belgium for Belgian tax purposes, who have acquired the Warrants otherwise than as a benefit in kind and who are not holding the Warrants through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition, holding or disposal of the Warrants.

### **8.15.2. Other taxes**

#### ***Tax on stock exchange transactions***

A tax on stock exchange transactions (“*taxe sur les opérations de bourse*”/“*beurstaks*”) will be levied on the purchase and sale in Belgium of the Warrants on a secondary market if such transaction is either entered into or carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.35% with a maximum amount of EUR 1,600 per transaction and per party and collected by the professional intermediary. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

The acquisition of Warrants upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

As from 1 January 2017, Belgian residents (individuals and legal entities) who undertake transactions via foreign intermediaries are also subject to the tax on stock exchange transactions. The Belgian resident must file a tax return and pay the tax due within two months after the transaction unless the foreign intermediary reported and paid the tax itself.

Following the Law of December 25, 2016, the scope of application of the tax on the stock exchange transactions has been extended as of January 1, 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a “**Belgian Investor**”). In such a scenario, the tax on the stock exchange transactions is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions due has already been paid by the professional intermediary established outside of Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying agent day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (“**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax

purposes – see below) and for complying with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

The tax referred to above will not be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the code of various duties and taxes (“*Code des droits et taxes divers*”/“*wetboek diverse rechten en taksen*”) for the tax on stock exchange transactions.

As stated in the section entitled “Risk Factors” (in particular, see “*Investment Considerations relating to the business of Belfius Bank*”), on 14 February 2013 the EU Commission adopted the proposed FTT. The draft Directive currently stipulates that once the FTT enters into effect, the Participating Member States shall not maintain or introduce any taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into effect. The draft Directive is still subject to negotiation between the participating Member States and may, therefore, be further amended at any time.

# 9. TERMS AND CONDITIONS OF THE OFFER

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(Annex XII.5 of Regulation (EC) 809/2004)

The Warrants will be offered for subscription as specified in the relevant Final Terms at the relevant Issue Price (Commission included). The Issuer has the right to anticipatively terminate the Offering Period if the maximum amount of the Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.

The Warrants have not been offered or sold and will not be offered or sold directly or indirectly and the Base Prospectus and the relevant Final Terms has not been distributed and will not be distributed, except in such circumstances that will result in compliance with all applicable laws and regulations.

The Warrants are deposited in a Belfius Bank global securities account and Belfius Bank will not charge any fees for this service.

The Issuer has the right to cancel any issue of Warrants under the Programme during their Offering Period until the fifth business day before their Issue Date, either (i) when it reasonably believes that investors will not subscribe to the Offer for an amount of at least the Minimum Amount specified in the relevant Final Terms or (ii) in case it considers there is a material adverse change in market conditions. Investors that have subscribed to these Warrants will be notified pursuant to Condition 8.14 of such cancellation. The Issuer has the right to anticipatively terminate the Offering Period if the Maximum Amount of the relevant Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements and, subject to certain exceptions, Warrants may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons.

The Warrants have not been offered, sold or delivered and will not be offered, sold or delivered, as part of their distribution at any time, or otherwise until 40 days after the commencement of the offering within the United States or to, or for the account or the benefit of, U.S. persons and a dealer to which the Warrants are sold during the restricted period, will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the U.S. or to, or for the account or benefit of, U.S. persons.

The Warrants will be offered at the relevant Issue Price (Commission included). This price comprises all costs.

The financial service will be performed by Belfius Bank.

The Offer is governed by the laws of Belgium. All disputes arising out of or in connection with the Offer shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

# 10. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

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(Annex XII.6 of Regulation (EC) 809/2004)

The Warrants offered will not be the object of an application for admission to trading on a stock exchange or a regulated market. There are no securities issued by Belfius of the same class as the Warrants to be offered that are already admitted to trading on a stock exchange.

Belfius Bank will offer the Warrant Holders a possibility to sell the Warrants from the day following the Issue Date by providing liquidity through a single bid price per trading day. These bid prices are subject to a brokerage fee (excluding stock market tax) of 1% maximum. In addition, the bid prices of the Warrants are subject to the market conditions (in practice, the conditions between 4.30 p.m. and 5.30 p.m. (Brussels time) concerning, amongst other things, interest rates, the Underlying Value's value or volatility. The price of each previously executed transaction with the Warrants is available the day after the transaction occurred on an electronic platform managed by Belfius Bank and accessible by every Warrant Holder.

# 11. USE OF PROCEEDS

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(Annex XII.3 of Regulation (EC) 809/2004)

The net proceeds of the issue of the Warrants will be used for general corporate purposes of Belfius Bank and for covering the risks resulting of the issue of the Warrants. The Warrants issue will be subject to some out-of-pocket expenses and publicity fees estimated to be around EUR 25,000.

# 12. ADDITIONAL INFORMATION ON THE UNDERLYING VALUE

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(Annex XIV of Regulation (EC) 809/2004)

The below information has been sourced from the prospectus of Belfius Equities sicav, Belgium, dated June, 2018.

This information has been accurately reproduced in this Base Prospectus and, as far as the Issuer is aware and is able to ascertain from the aforementioned prospectus of the SICAV, no facts has been omitted which would render the reproduced information inaccurate or misleading.

The prospectus of the Underlying Value is attached to this Base Prospectus as Annex 3.

## *12.1. Description of the Underlying Value*

### *12.1.1. Type and class of share*

The Underlying Value is a Class C share (the “**Share**” or “**Shares**”) of the compartment Belfius Equities Europe Conviction (the “**Compartment**”) within Belfius Equities sicav, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises’ number 444.229.910, with multiple compartments, incorporated for an indefinite duration (the “**SICAV**”).

Class C is offered both to legal entities and natural persons and capitalizes its profits.

The number of shares of the SICAV that may be issued is unlimited. Every share must be fully paid-up upon subscription.

### *12.1.2. Governing law*

The Underlying Value is governed by the laws of Belgium. The SICAV is registered with the Belgium Crossroad bank for enterprises (*Banque Carrefour des entreprises/Kruispuntbank van ondernemingen*) under the number 444.229.910.

### *12.1.3. Form*

All shares of the SICAV are registered shares without nominal value. Ownership of a share is only represented, and enforceable vis-à-vis the SICAV, by endorsement in the SICAV’s register of shares. Holders of shares in the SICAV will not receive any certificate representing their shares, except upon express request thereto.

### *12.1.4. Currency*

The Shares are denominated in EUR.

### *12.1.5. Rights, limitations thereto and procedure of exercise*

#### **12.1.5.1. Dividend rights**

The Shares are not vested with any dividend right, considering that the shares of Class C within the compartment Belfius Equities Europe Conviction capitalizes their profits.

The number of shares of the SICAV that may be issued is unlimited. All shares of the SICAV, including the Shares, are vested with equal rights to a share in liquidation surplus within their compartment, if any, *prorata* the amount of shares existing within the relevant compartment by date of its liquidation.

(a) Fixed date(s) on which the entitlement arises: not applicable.



(b) Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates: not applicable.

(c) Dividend restrictions and procedures for non-resident holders: not applicable.

(d) Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments: not applicable.

#### **12.1.5.2. Voting rights**

All shares of the SICAV are vested with an equal voting right, each share representing one vote. The annual general shareholders' meeting of the SICAV is held each year on the last Thursday of September at 11:00 a.m. at the registered seat of the SICAV, or at any other date and place as notified beforehand by the SICAV to the holders of shares.

#### **12.1.5.3. Pre-emption rights in offers for subscription of securities of the same class**

No shares of the SICAV are vested with any pre-emption- or preference rights.

#### **12.1.5.4. Right to share in the issuer's profits**

All shares of the SICAV are vested with an equal right to a share in the profit.

#### **12.1.5.5. Rights to share in any surplus in the event of liquidation**

All shares of the SICAV, including the Shares, are vested with an equal right to a share in liquidation surplus, if any, *pro rata* the amount of shares issued by the SICAV by date of the liquidation.

#### **12.1.5.6. Redemption provisions**

Every holder of shares in the SICAV is entitled to have his shares redeemed by the SICAV at any time, in accordance with the notification procedure to the depositary bank described in the prospectus of the SICAV.

Redemption price will be lower or higher than the subscription price, depending on the evolution of the net inventory value of the SICAV between the subscription- and redemption dates.

#### **12.1.5.7. Conversion provisions**

Every holder of shares in the SICAV may request conversion of part of or all of the shares he holds in a compartment of the SICAV into shares of another compartment of the SICAV. Such a conversion of shares in, or into shares in, certain compartments and/or classes of shares of the SICAV can however be limited by conditions specific to each compartment at stake.

The procedure for notification to the depositary bank and exercise of the conversion is described in the prospectus of the SICAV.

Conversion rate will be determined by applying the following formula:

$$A = \frac{B \times C \times E}{D}$$

Where:

A: is the amount of shares of the new class or in the new compartment to be attributed

B: is the amount of shares of the current class or in the current compartment to be converted

C: is the net asset value per share of the current class or in the current compartment calculated on the valuation date at stake

D: is the net asset value per share of the new class or in the new compartment calculated on the valuation date at stake

E: is the FX rate on the valuation date at stake between the currency of the current class/compartment and the currency of the new class/compartment.

*12.1.6. Resolution and authorization for new issue of share in the SICAV, issue date*

Not applicable.

*12.1.7. Admission to trading*

The Shares are not admitted to trading on a regulated market.

*12.1.8. Restrictions on transferability*

None.

*12.1.9. Mandatory takeover bids or squeeze-out and sell-out*

Not applicable.

*12.1.10 Public takeover bids during the last and/or current financial year*

Not applicable.

*12.1.11. Impact on the issuer of the Underlying Value of the exercise of the right and potential dilution effect for the shareholders*

No impact.

*12.2. Description of the Issuer of the Underlying Value (if member of the same group)*

Not applicable.

# 13. THIRD PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS

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(Annexes IV.16 and XII.7 of Regulation (EC) 809/2004)

Except for the audited financial statements of the Issuer, there has not been any statement or report attributed to a person as an expert which is included in this Base Prospectus.

Besides, there is no information in the Base Prospectus which has been audited or reviewed by statutory auditors and no auditor has produced a report with respect to this Base Prospectus.

The Issuer does not intend to provide post-issuance information.

Information in Section 12 (“Additional information on the Underlying Value”) has been sourced from the prospectus of Belfius Equities sicav, Belgium, dated June, 2018. It has been accurately reproduced in this Base Prospectus and, as far as the Issuer is aware and is able to ascertain from the aforementioned prospectus of the SICAV, no facts has been omitted which would render the reproduced information inaccurate or misleading.

# 14. DOCUMENTS ON DISPLAY

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(Annex IV.17 of Regulation (EC) 809/2004)

Copies of (i) the annual reports dated December 31st, 2017 for the Issuer and of all subsequent annual reports to be published, and (ii) the articles of association of the Issuer are available free of charge at the office of Belfius Bank and will be available during the entire lifetime of the Warrants.

Additionally, the annual reports of Belfius Bank are available on its internet site <https://www.belfius.com/EN/reports/index.aspx>

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# ANNEX 1: Template for Final Terms

## FINAL TERMS

Set out below is the form of Final Terms which will be completed for each series of Warrants issued under the Programme.

[Date]

**BELFIUS BANK SA/NV**  
Limited liability Company of unlimited duration incorporated under Belgian law  
**Issue of [...] (Aggregate Nominal Amount of Series of Warrants)**  
**[Title of relevant Series of Warrants]**  
**under the**  
**Long Term Warrant**

**[MIFID II product governance / Retail investors, professional investors and ECPs target market** – Belfius Bank SA/NV acts as sole manufacturer and distributor (each as defined in Directive 2014/65/EU (as amended, "MiFID II")) of the Warrants. Solely for the purposes of Belfius Bank SA/NV's product approval process, the target market assessment in respect of the Warrants has led to the conclusion that: (i) the target market for the Warrants is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Warrants to retail clients are appropriate - investment advice, portfolio management and non-advised sales.]

**[PRIIPs Regulation** - A key information document required by Regulation (EU) No 1286/2014 (as amended the "PRIIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the EEA has been prepared and is available on [●].]

The issue of the Warrants has been authorized by resolutions of the Issuer dated [●].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] which constitutes a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 29, §2 of the Prospectus Law of 16 June 2006 and must be read in conjunction with the Base Prospectus, including, for the avoidance of any doubt, the Summary and any supplements to the Base Prospectus. Full information on the Issuer and the Offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at [●] and copies may be obtained from the Issuer at that address.

These Final Terms relate to the securities and must be read in conjunction with, and are subject to, the provisions contained in the Base Prospectus as so supplemented. These Final Terms, and the relevant provisions constitute the conditions of each series of the Warrants described herein. A summary of the Base Prospectus is attached to these Final Terms.

In case of any inconsistency between the Base Prospectus and the Final Terms, the Final Terms shall prevail.

<b>Warrant type:</b>	The [●] Warrants can only be exercised during the Exercise Period;
<b>Commission:</b>	[●] EUR;
<b>Costs:</b>	There are no additional costs of subscription, no additional costs upon Exercise (besides the payment of the Strike Price) and no additional costs upon a sale to the Issuer. Only

	applicable subscription fees in the Underlying Value, as may exist at such time and applicable taxes are due;
<b>Exercise Date:</b>	Date during the Exercise Period on which the Warrants are exercised;
<b>Exercise Period:</b>	Each business day on which commercial banks in Belgium are open for business from (and including) [●] until (but excluding) the Maturity Date;
<b>Exercise:</b>	Delivery of the Underlying Value against payment of the Strike Price. The request to Exercise needs to be submitted during the Exercise Period;
<b>Cancellation:</b>	In certain events, the Warrants may be cancelled (Please refer to Condition 8.7 ( <i>Cancellation</i> ))
<b>Adjustments:</b>	In certain events, the features of the Warrants may be adjusted (Please refer to Condition 8.10 ( <i>Adjustments to the Underlying Value</i> ))
<b>Form:</b>	Dematerialized;
<b>Currency:</b>	EUR;
<b>ISIN Code:</b>	[●];
<b>Issue Date:</b>	[●];
<b>Issue Price :</b>	[10,-] EUR (being [●] EUR, increased with the Commission);
<b>Issuer:</b>	Belfius Bank, a limited liability company incorporated under the laws of Belgium (hereinafter “Belfius Bank”) (see the Base Prospectus for information about the Issuer);
<b>Maturity Date:</b>	[●];
<b>Denomination:</b>	[●] EUR;
<b>Offering Period:</b>	The Warrants will be offered for subscription from [●] until and including [●] (4 p.m. Brussels time);
<b>Minimum Amount of the Offer:</b>	[●];
<b>Maximum Amount of the Offer:</b>	[●];
<b>Parity:</b>	The Parity is the number of Warrants necessary to buy an Underlying Value at the payment of the Strike Price. The Parity equals [●]% of the net asset value of the Underlying Value at [●] (which will be posted on <a href="http://www.belfius.be">www.belfius.be</a> on [●]) divided by the Issue Price (Commission excluded);

<b>Strike Price:</b>	The Strike Price is equal to the net asset value of the Underlying Value on [●] which will be posted on <a href="http://www.belfius.be">www.belfius.be</a> denominated in EUR;
<b>Payment Date:</b>	[●]
<b>Governing law and jurisdiction:</b>	The Warrants are governed by the laws of Belgium. All disputes arising out of or in connection with the Warrants shall be exclusively submitted to the jurisdiction of the competent courts in Brussels;
<b>Underlying Value:</b>	a class C share (capitalisation) of the compartment Belfius Equities Europe Conviction (Code ISIN: BE0945524651; Code Bloomberg: DEXBEUR BB), within Belfius Equities, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises' number 444.229.910, with multiple compartments, incorporated for an indefinite duration.
<b>Responsibility:</b>	The Issuer accepts responsibility for the information contained in these Final Terms;

### Information relating to the Underlying Value

The below information is sourced from the prospectus of Belfius Equities sicav, Belgium, dated June 2018.

The prospectus of the Underlying Value is attached to this Base Prospectus as Annex 3.

The Issuer also confirms that as far as it is aware and able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### Description of the Underlying Value

The Underlying Value is a Class C share of the compartment Belfius Equities Europe Conviction within Belfius Equities, a UCITS duly registered under the laws of Belgium under the Crossroad Bank for enterprises' number 444.229.910, with multiple segments, incorporated for an indefinite duration. Class C is offered both to legal entities and natural persons and capitalizes its profits.

Belfius Equities Europe Conviction is a compartment of Belfius Equities sicav. The fund's objective is to enable shareholders to benefit from the trends in the European stock market countries by investing in the stocks of companies selected by the asset manager on the basis of their expected return. The assets of the SICAV will be invested primarily in shares and/or transferable securities equivalent to shares such as, for example, investment certificates and warrants, issued by companies whose registered office is located or whose primary economic activity is carried out in Europe. The SICAV's assets may also be invested, on an ancillary basis, in money market instruments, deposits and/or cash.

Management of this compartment is based on the careful selection of a limited number of equities issued by companies of any capitalization offering high-quality fundamentals, rising profit prospects and a low valuation.

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# ANNEX 2: Articles of Association

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## “BELFIUS BANK”

Société Anonyme

1000 Brussels, boulevard Pachéco 44

VAT Business number BE0403.201.185 (Brussels Register of legal entities)

Company incorporated under the name “Lending Bank” under the terms of a deed executed by notary Albert Raucq in Brussels, with the intervention of Rudy Pauwels, Master of Law, in Deinze, on the twenty-third of October nineteen sixty-two, published in the annex to the Moniteur Belge [official gazette] of the eighth of November thereafter, under number 29878. The Articles of Association have been amended further to records drawn up by:

### 1) the notary Albert RAUCQ, aforementioned:

- on the fifteenth of October nineteen sixty-five, published in the annex to the Moniteur Belge of the sixth of November thereafter, under number 32196;
- on the thirtieth of December ninety sixty-six, published in the annex to the Moniteur Belge of the twenty-first of January nineteen sixty-seven under number 149-1;
- on the fourteenth of June nineteen sixty-eight, published in the annex to the Moniteur Belge of the twenty-ninth of June thereafter, under number 1822-1 (change of company name);
- on the twenty-third of June nineteen sixty-nine, published in the annex to the Moniteur Belge of the fourth of July thereafter, under number 1840-1;

### 2) the notary Gilberte RAUCQ, in Brussels:

- on the twentieth of September nineteen seventy-two, published in the annex to the Moniteur Belge of the fourteenth of October thereafter, under number 2811-3;
- on the eleventh of October nineteen seventy-nine, published in the form of an excerpt in the annex to the Moniteur Belge of the eighth of November thereafter, under number 1847-5;
- on the twenty-seventh of October nineteen eighty-two, published in the annex to the Moniteur Belge of the twenty-third of November thereafter, under number 2238-9;
- on the thirtieth of May nineteen eighty-three, published in the form of an excerpt in the annex to the Moniteur Belge of the twenty-third of June thereafter, under number 1605-5;
- on the sixteenth of December nineteen eighty-three, published in the form of an excerpt in the annex to the Moniteur Belge of the fourteenth of January nineteen eighty-four, under number 366-11;
- on the seventeenth of October nineteen eighty-five, published in the form of an excerpt in the annex to the Moniteur Belge of the thirteenth of November thereafter, under number 851113-22 and the thirty-first of October nineteen eighty-six, published in the form of an excerpt in the annex to the Moniteur Belge of the second of December nineteen eighty-six under numbers 861202-142 and 143;
- on the seventeenth of November nineteen eighty-six, published in the form of an excerpt in the annex to the Moniteur Belge of the sixteenth of December thereafter, under numbers 861216-221 and 222;
- on the thirtieth of October nineteen eighty-seven, published in the form of an excerpt in the annex to the Moniteur Belge of the twenty-eighth of November thereafter, under numbers 871128-284 and 285;
- on the fourth of December nineteen eighty-nine, published in the form of an excerpt in the annex to the Moniteur Belge of the third of January nineteen ninety, under numbers 900103-75 and 76;
- on the twenty-seventh of June nineteen ninety, published in the form of an excerpt in the annex to the Moniteur Belge of the twenty-sixth of July thereafter, under numbers 920618-54 and 55;
- on the twenty-fifth of May nineteen ninety-two, published in the form of an excerpt in the annex to the Moniteur Belge of the eighteenth of June thereafter, under numbers 920618-56 and 57;
- on the first of June nineteen ninety-three, published in the form of an excerpt in the annex to the Moniteur Belge of the twenty-sixth of June thereafter, under numbers 930626-26 and 27;
- on the twenty-sixth of June nineteen ninety-five, published in the form of an excerpt in the annex to the Moniteur Belge of the twentieth of July thereafter, under numbers 950720-31 and 32;
- on the twenty-sixth of May nineteen ninety-seven, published in the form of an excerpt in the annex to the Moniteur Belge of the twenty-fifth of June thereafter, under numbers 970625-14 and 15;
- on the twelfth of February nineteen ninety-eight (containing a change of company names), published in the form of an excerpt in the annex to the Moniteur Belge of the eighteenth of February thereafter, under numbers 980218-434 and 435;
- on the twenty-fourth of September nineteen ninety-eight, published in the form of an excerpt in the annex to the Moniteur Belge of the twenty-first of October thereafter, under numbers 981021-351 and 352;



- on the twenty-fourth of February nineteen ninety-nine, published in the form of an excerpt in the annex to the Moniteur Belge of the eighteenth of March thereafter, under numbers 990318-36 and 37.

3) the notary Eric SPRUYT, in Brussels:

- on the first of April nineteen ninety-nine (change of company name), published in the annex to the Moniteur Belge of the thirteenth of May thereafter, under numbers 990513-142 and 143;
- on the thirty-first of May nineteen ninety-nine, published in the annex to the Moniteur Belge of the twenty-third of June thereafter, under number 990623-458;
- on the twenty-ninth of December nineteen ninety-nine, published in the annex to the Moniteur Belge of the seventeenth of February two thousand, under numbers 20000217-211 and 212.
- on the thirty-first of October two thousand, published in the annex to the Moniteur Belge of the twenty-fourth of November thereafter, under numbers 20001124-567 and 568.

4) The notaries Herwig VAN DE VELDE and Eric SPRUYT, both in Brussels:

- on the twenty-eighth of March two thousand and two, published in the annexes to the Moniteur Belge of the nineteenth of April thereafter, under numbers 20020419-483 and 484, containing, inter alia, the merger and takeover by the company of the limited liability company “Dexia Bank Belgium”, shortened to “Dexia Bank”, the limited liability cooperative company “Artesia Services” and the limited liability company “Bacob”.

5) The notary Herwig VAN DE VELDE, aforementioned:

- on the thirtieth of April two thousand and three, published in the annexes to the Moniteur Belge under numbers 2003-05-19/0055624 and 0055625;
- on the twenty-ninth of August two thousand and three, published in the Annexes to the Moniteur Belge under numbers 20030919/0096816 and 0096817.

6) The notary Carole GUILLEMYN, in Brussels:

- on the twelfth of July two thousand and four, published in the Annex to the Moniteur Belge of the fifth of August two thousand and four, under numbers 04116572 and 04116573

7) The notary Herwig VAN DE VELDE aforementioned:

- on the thirty-first of August two thousand and four, published in the Annexes to the Moniteur Belge of the twenty-second of September thereafter, under numbers 04134061 and 04134062.
- on the thirty-first of May two thousand and five, published in the Annex to the Moniteur Belge of the twenty-seventh of June thereafter, under numbers 090336 and 090337.
- on the first of July two thousand and five, published in the Annex to the Moniteur Belge under numbers 2005-08-05/0113834 and 0113835.
- on the thirty-first of August two thousand and five, published in the Annex to the Moniteur Belge, 2005-09-20 under numbers 0131421 and 0131422.
- on the fifteenth of December two thousand and five, published in the Annex to the Moniteur Belge of the eleventh of January two thousand and six, under numbers 06011365 and 0601366.

8) The notary Carole GUILLEMYN, aforementioned:

- on the eighteenth of June two thousand and seven, published in the Annex to the Moniteur Belge of 12 July thereafter, under numbers 2007-07-12/07101587 and 07101588.

9) The notary Carole GUILLEMYN, aforementioned:

- on the twenty-ninth of December two thousand and eight, published in the Annex to the Moniteur Belge of 23 January 2009, under numbers 2009-01-23/0012192 and 12193

10) The notary Herwig VAN DE VELDE, aforementioned:

- on the twenty-seventh of February two thousand and nine, published in the Annex to the Moniteur Belge on 19 March 2009, under numbers 09040827 and 09040828.

11) The notary Carole GUILLEMYN, aforementioned:

- on 15 December 2011, published in the Annex to the Moniteur Belge of 31 January 2012, under numbers 26315 and 26316.

12) The notary Carole GUILLEMYN, aforementioned:

- on 9 May 2012, published in the Annex to the Moniteur Belge of 29 May 2012, under numbers 12095628 and 12095627.

13) The notary Carole GUILLEMYN, aforesaid:

- on 2 December 2013, published in the Annex to the Moniteur Belge of 10 January 2014, under numbers 1401144 and 14011045.

## **COORDINATED ARTICLES OF ASSOCIATION**

### **SECTION 1 – LEGAL FORM – NAME – REGISTERED OFFICE - OBJECT**

#### **Article 1 – NAME, LEGAL FORM, DURATION**

The Company is a limited liability Company.

The name of the company is “Belfius Bank” in Dutch, “Belfius Banque” in French, “Belfius Bank” in German and “Belfius Bank” in English.

The Company may carry on its commercial activities under the following denominations: its name and its commercial denominations "Belfius Bank & Verzekeringen", "Belfius Banque & Assurances", "Belfius Bank & Versicherungen", "Belfius Bank & Insurance", "Belfius", "Dexia Bank België", "Dexia Banque Belgique", "Dexia Bank Belgien", "Dexia Bank Belgium", "Dexia Bank", "Dexia Banque", "Artesia Banking Corporation", "Artesia BC", "Artesia Bank", "Banque Artesia", "Artesia", "BACOB", "BACOB Bank" and "BACOB Banque".

The Company is established for an indefinite duration.

The Company has the capacity of a Company that currently publicly appeals, or has previously publicly appealed to saving funds.

#### **Article 2 – REGISTERED OFFICE, OTHER OFFICES**

The registered office of the Company is situated at Brussels, boulevard Pachéco 44. The registered office may be transferred to another place, within the region of Brussels-capital, by decision of the Board of Directors.

The company may establish offices and branches wherever in the world the Board of Directors deems it useful.

#### **Article 3 - OBJECT**

The Company's object is to carry on the business of a credit institution in accordance with the conditions stipulated by the law and regulations governing credit institutions that have been approved by the National Bank of Belgium.

As such, the Company may - for its own account and for the account of third parties or in cooperation with third parties - by itself or by intermediary of natural persons or legal entities, both in Belgium and abroad, undertake any and all permitted activities of a credit institution, any and all banking transactions and associated transactions, all investment services transactions and associated transactions, including inter alia:

1° transactions regarding deposits, credits within the broadest sense, brokerage, stock exchange related operations, launches of issues, guarantees and surety;

2° short, medium and long-term credit transactions, sustain investments by provinces, municipalities and organisations of a regional character, as well as investments effected by all public establishments, companies, associations and organisations, which are constituted for provincial, municipal or regional purposes, and which provinces, municipalities and organisations of a regional character are authorised to support;

3° to further, by means of appropriate credit transactions, the day-to-day operation of the budgets of provinces, municipalities and organisations of a regional character, and of all other institutions referred to in 2° above, as well as the day-to-day management of their exploitations, companies and enterprises

4° transactions in financial derivatives

Furthermore, the Company aims to distribute insurance products from third party insurance companies. The Company may acquire, own and sell shares and participations in one or more companies, within the limits provided for by the legal status of credit institutions.

The Company is entitled to carry out any transactions of whatever nature, inter alia financial, commercial, including goods and estate, relating directly or indirectly to the furtherance of its object or of such a nature as to facilitate the achievement thereof.

All the provisions of the present article must be interpreted in the broadest sense and within the context of the laws and regulations governing transactions of credit institutions.

### **SECTION II – CAPITAL - SHARES**

#### **Article 4 – CAPITAL, SHARES**

The issued and fully paid-up capital amounts to three billion four hundred fifty eight million sixty six thousand two hundred twenty seven euros and forty one cent (EUR 3,458,066,227.41).

The capital is divided into three hundred fifty-nine million four hundred twelve thousand six hundred sixteen registered shares (359,412,616) with no face value, each representing one / three hundred fifty-nine million four hundred twelve thousand six hundred sixteenth (1/359,412,616th) fraction of the share capital.

#### **Article 5 - AUTHORISED CAPITAL**

The Board of Directors is authorised to increase the authorised capital of the company in one or more instalments at such times and on such terms and conditions as it shall determine up to a maximum amount of three billion four hundred fifty eight million sixty six thousand two hundred twenty seven euros and forty one cent (EUR 3.458.066.227,41). Such authority shall be valid for a period of five years from the gazetting in the annexes to the Moniteur Belge [Official Gazette] of the alteration of the Articles resolved by the extraordinary general meeting of December 2nd 2013. It shall be renewable.

The Board of Directors is authorised to issue in one or more instalments and on the conditions permitted by law, convertible or repayable bonds, equity notes, warrants or other financial instruments that in time entitle to acquire shares up to a maximum amount fixed such that the capital resulting from the conversion or redemption of bonds or the exercise of the warrants or other financial instruments is not increased above the remaining maximum limit to which the Board of Directors is authorised to increase the capital pursuant to paragraph 1 hereof.

Increases of capital decided pursuant to these authorisations may be made by way of cash subscriptions, non-cash contributions, within the permitted legal limits, as well as by capitalisation of available or appropriated reserves, or share premiums, with or without an issue of new shares.

The Board of Directors shall act in observance of shareholders' statutory preferential rights.

Any share premium resulting from an increase of capital resolved by the Board of Directors shall be recorded in a reserve account not available for distribution, which shall offer the same third party guarantees as the capital, and may not, other than where capitalised by resolution of the General Meeting or Board of Directors as provided above, be reduced or cancelled other than by resolution of the General Meeting taken in the conditions prescribed by article 612 of the Belgian Companies Code.

#### **Article 6 – FORM OF THE SECURITIES**

The securities issued by the Company will be registered or dematerialised, as specified by the Board of Directors or by the General Meeting on the occasion of their issue.

### **SECTION III – BOARD OF DIRECTORS – MANAGEMENT BOARD – OTHER COMMITTEES**

#### **A. BOARD OF DIRECTORS**

##### **Article 7 - COMPOSITION**

7.1 The Company is managed by a Board of Directors composed of a minimum of five members, who are appointed and may be revoked by the General Meeting.

One third of the members of the Board of Directors must be of a different gender to the other members.

**7.2 The mandates of the members of the Board of Directors are granted for a period of maximum four years.**

The non-executive Board members are eligible for re-election for a maximum of two mandates.

The tasks of a Board member shall end on conclusion of the ordinary General Meeting that decides on the accounts for the previous year, held in the year in which that member's mandate elapses.

7.3 The General Meeting determines the remuneration of the Board members, with the exception of the executive members.

7.4 In the event of there being a vacancy on the Board, the Board of Directors provides for an interim appointment, in accordance with the nomination procedures referred to in this article. The following General Meeting shall make a permanent appointment. The mandate of the person so appointed shall be granted for a period of maximum four years.

7.5 The Board of Directors shall elect a Chairman from among its non-executive members and, if appropriate, one or more Vice-Chairmen, as well as the holders of other positions. The Board of Directors appoints its Secretary, who is either a member of the Board or not.

7.6 The Board of Directors draws up regulations governing its procedures and regularly reviews those procedures.

#### **Article 8 – EXECUTIVE AND NON-EXECUTIVE MEMBERS**

8.1 The members of the Board of Directors have, both together and individually, the right profile for leading the institution and the composition of the Board of Directors guarantees that decisions are taken in the light of a sound and prudent policy.

8.2 The Board of Directors comprises executive and non-executive members.

8.3 The majority of members of the Board of Directors are non-executive.

8.4 The executive members are appointed on the proposal of the Management Board as a member of the Management Board.

8.5 At least four of the non-executive members are independent, it being understood that, for the purposes of the present article, independent means the Board members who have the characteristics described in article 526ter of the Belgian Companies Code, namely:

1° for a period of five years prior to his appointment, he has not held the mandate of executive member of the management organ or the position of member of the Management Board or been entrusted with the day-to-day management either at the Company or at an associated Company or for an associated person as described in article 11;

2° Has not held more than three consecutive mandates as non-executive board member on the Board of Directors, for a period not exceeding twelve years;

3° has not, for a period of three years prior to his appointment, formed part of the managerial personnel with the meaning of article 19, 2°, of the Belgian Law of 20 September 1948 on the Organisation of the Economy, of the Company or of a Company or person associated with the Company, as described in article 11;

4° does not and has not received from the Company or from a Company or person associated with the Company as described in article 11 any remuneration or other significant benefit of a proprietary nature, other than the bonuses and remuneration he may receive or have received as a non-executive member of the management organ or member of the supervisory organ;

5°

a) does not own any rights in the company that represent one tenth or more of the capital, of the social fund or of a category of shares in the Company;

b) if he holds entitlements that represent a quota of less than 10%:

- those entitlements, together with the entitlements held in the same Company by companies over which the independent Board member exerts control, must equal less than one tenth of the capital, of the social fund or of a category of shares in the Company; or

- acts of disposal of the shares or the exercising of the rights associated with those shares may not be subject to agreements or unilateral commitments entered into by the independent member of the management organ;

c) under no circumstances represents a shareholder to whom the conditions of this point apply;

6° has no significant business relationship, nor has had any such relationship in the previous financial year, with the Company or with a Company or person associated with it as described in article 11, either directly or as a partner, shareholder, member of the management organ or member of the managerial personnel within the meaning of article 19, 2° of the Belgian Law of 20 September 1948 on the Organisation of the Economy, of a Company or person that does have such a relationship;

7° has not, in the last three years, been a partner in or employee of the current or previous auditor of the Company or of a Company or person associated with the Company within the meaning of article 11;

8° is not an executive member of the management organ of another company on which an executive Board member of the Company has a seat in the capacity of non-executive member of the management organ or as member of the supervisory organ, and has no other significant links with executive Board members of the Company as a result of positions held at other companies or on other organs;

9° does not have a spouse, civil-law partner or relation by blood or affinity up to the second degree who exercise at the Company or at a Company or for a person associated with the Company as described in article 11 a mandate as member of the management organ, member of the Management Board, person entrusted with the day-to-day management or member of the managerial personnel, within the meaning of article 19, 2° of the Belgian Law of 20 September 1948 on the Organisation of the Economy, or to whom one of the other circumstances described in points 1° to 8° apply.

## **Article 9 - ROLE OF THE BOARD OF DIRECTORS**

9.1 The Board of Directors determines the Company's business strategy and oversees the implementation of that strategy.

9.2 The Board of Directors is actively involved in everything related to this responsibility for general policy, in particular as regards supervision of risk policy, the organisation, the financial stability of the bank and its management, including by determining the objectives and values of the institution.

The Board of Directors appoints people to the necessary roles and assigns the necessary powers and supervises those roles and powers.

9.3 The Board of Directors draws up a corporate governance memorandum.

#### **Article 10 – POWERS OF THE BOARD OF DIRECTORS**

10.1 The Board of Directors shall have the powers to carry out all acts which are useful or necessary for the achievement of the object of the Company, except for the powers reserved to the General Meeting by law.

10.2 The Board of Directors may delegate special powers to its Chairman, its Vice-Chairmen or one or more of its members.

#### **Article 11 - MEETINGS OF THE BOARD OF DIRECTORS**

11.1 The Board meets when convened by the Chairman or, in the event of his absence, by one of the Vice-Chairmen or, in the event of the absence of the latter, two other members of the Board, whenever the interests of the Company so require. A meeting must be convened if three members of the Board so request.

Notices of meetings shall be validly made by letter, fax, email or any other means referred to in article 2281 of the Civil Code. Any Board member present or duly represented shall be assumed automatically to have been properly convened.

The Board of Directors may always hold valid deliberations, even if no meeting has been convened, providing all members are present or represented.

11.2 The meetings are chaired by the Chairman of the Board. In the absence of the Chairman, he shall be replaced by one of the Vice-Chairmen and, in the latter's absence, by a member designated by the other members of the Board from among the non-executive members.

All deliberations require at least half of the members to be present or represented.

Decisions are taken by a majority of votes cast by the members present or represented, and in the event of a tied vote, the Chairman or the person representing him has the casting vote.

11.3 A member of the Board who is unable to be present may, by letter or any other means of communication in which the authority to vote on his behalf is recorded in a document, authorise another member to represent him and vote in his stead.

However, no member of the Board may represent more than one other member.

11.4 In exceptional cases, duly justified by their urgency and in the interests of the Company, the decisions of the Board of Directors may be taken through the unanimous written consent of its members. The signatures of members of the Board may be placed either on one single document or on several copies of the same document. The decisions shall bear the date of the last signature placed on the said document or documents. However, recourse to this procedure shall not be possible for the closing of the annual accounts.

Meetings may also be held by telephone conference or by videoconference. In that case, the meeting of the Board of Directors shall be deemed to be held at the Company's registered office.

11.5 The minutes of the meetings are approved by the Board and signed by the Chairman or one of the Vice-Chairmen (in the event of the Chairman being absent) or by two non-executive directors (in the event of the Chairman and Vice-Chairmen being absent).

Copies and extracts of the minutes of the Board are signed either by the Chairman or one of the Vice-Chairmen of the Board, by the Chairman or the Vice-Chairman or a member of the Management Board, or by the Secretary-General, or by the Secretary of the Board.

## **B. MANAGEMENT BOARD**

#### **Article 12 – DELEGATION BY THE BOARD OF DIRECTORS**

12.1 In accordance with the law, the Board of Directors may delegate all or part of the powers referred to in article 522, paragraph 1, 1 of the Belgian Companies Code to a Management Board, for which only members of the Board of Directors can qualify.

However, this delegation may not involve either the determination of general policy or acts reserved to the Board of Directors by other provisions of the said Companies Code.

12.2 The Management Board exercises the effective management of the bank.

The Management Board ensures that the bank's activities are in keeping with the strategy, the risks and the policy approved by the Board of Directors and provides the Board of Directors with the relevant information, in order that the Board can make well-informed decisions.

The Management Board establishes the most suitable systems for internal audit and ensures that the bank operates in a transparent manner.

### **Article 13 - COMPOSITION**

13.1 The Board of Directors determines the number of members of the Management Board.

The members of the Management Board constitute a collegial body.

13.2 The Chairman, Vice-Chairman and members are appointed by the Board of Directors from among the members referred to in article 8.4, on nomination of the Management Board and in accordance with the regulations governing financial institutions. The appointment of the Chairman of the Management Board will take place on presentation of the Management Board, after consultation with the Chairman of the Board of Directors.

13.3 The Chairman, Vice-Chairman and members may be removed from office by the Board of Directors, on the advice of the Management Board and in accordance with the regulations governing financial institutions.

Termination of the mandate of a member of the Management Board will result in the immediate termination of his mandate as a member of the Board of Directors.

13.4 The remuneration of members of the Management Board is determined by the Board of Directors, in consultation with the Chairman of the Management Board.

13.5 The Management Board may appoint a Secretary, who is either a member of the Committee or not.

13.6 The Management Board draws up regulations governing its procedures and regularly reviews those procedures.

### **Article 14 - DISCHARGE**

Each year, the Board of Directors will advise on the discharge to be given to the members of the Management Board regarding the execution of their missions during the previous year.

### **Article 15 – MEETING OF THE MANAGEMENT BOARD**

15.1 The quorum with which the committee may validly transact its business is at least half the directors present in person or by proxy.

Each member may give a proxy to a fellow committee member by ordinary letter, telefax, printed email or any other written document.

Each member can only represent one of his colleagues.

Meetings may also be held by telephone conference or by videoconference. In that case, the meeting of the Management Board shall be deemed to be held at the Company's registered office.

15.2 The decisions of the Management Board shall be taken by the simple majority of votes of all members present or represented. In case of a tied vote, the vote of the Chairman of the Management Board shall prevail.

15.3 Copies and extracts of the minutes of the Management Board are signed by its Chairman or, if the Chairman is absent, by its Vice-Chairman or, if both the Chairman and Vice-Chairman are absent, by one of its members or by the Secretary-General or by the Secretary of the Board.

15.4 The Management Board may delegate special powers to its Chairman, Vice-Chairman, one or more of its members, one or more members of the staff or any other person. It may authorise sub-delegation thereof.

## **C. OTHER COMMITTEES**

### **Article 16 – AUDIT COMMITTEE – APPOINTMENTS AND COMPENSATION COMMITTEE – STRATEGIC COMMITTEE AND RISK & CAPITAL COMMITTEE**

16.1 The Board of Directors shall establish an Audit Committee, an Appointments and Compensation Committee, a Strategic Committee and a Risk & Capital Committee, and any other committee the Board deems necessary, and will determine the composition, functioning, manner of deliberation and tasks of those committees.

16.2 The Audit Committee comprises at least one independent member of the Board of Directors, appointed by the Board of Directors, who has the required accountancy and auditing expertise. The members of the Audit Committee have combined expertise in the field of the activities of the credit institution concerned and in accountancy and auditing.

The primary task of the Audit Committee is to assist the Board of Directors with analysing the financial information, including the annual accounts, the annual report and the interim reports.

In addition, the Audit Committee carries out the tasks entrusted to it by the Board of Directors or the Articles of Association.

The annual report of the statutory management organ demonstrates the individual and combined expertise of the members of the Audit Committee.

16.3 The Appointments and Compensation Committee comprises at least one independent Board member, appointed by the Board of Directors from among its members.

The composition of the Appointments and Compensation Committee is such that it can form an expert and independent opinion on the remuneration policy and remuneration practices, in accordance with the applicable regulatory and supervisory requirements.

The Appointments and Compensation Committee submits a proposal for a decision to either the Board of Directors or the General Meeting as appropriate, for each decision about the direct or immediate, indirect or deferred pecuniary benefits associated with the function of or awarded to the members of the management organs. In addition, each year the Committee prepares a report on the remuneration paid, to be appended to the management report.

The annual report of the statutory management organ demonstrates the individual and combined expertise of the members of the Appointments and Compensation Committee.

16.4 The Board of Directors decides on the composition of the Strategic Committee. The Strategic Committee comprises, as a minimum, the Chairman of the Board of Directors and the Chairman of the Management Board. The Strategic Committee assists the Board of Directors with determining the bank's strategic objectives and in specific tasks that are entrusted to the Committee.

16.5 The Board of Directors decides on the composition of the Risk & Capital Committee. The members of the Committee are chosen for their risk management expertise.

The task of the Committee is to assist the Board of Directors in determining the risk policy, the monitoring of the bank's risk profile and supervising the risk management function, in accordance with the sound and prudent management of the bank.

16.6 The Board of Directors may establish one or more additional advisory committees from among its members and on its responsibility.

16.7 The Board of Directors approves the regulations governing the procedures of each of these committees. Each committee conducts an annual review of its procedures.

## **D. REPRESENTATION**

### **Article 17 – REPRESENTATION OF THE COMPANY**

17.1 The Company is represented either by two members of the Management Board or by one member of the Management Board acting jointly with the persons delegated for this purpose.

17.2 The Company is also validly represented by one or more specially authorised agents within the limits of the powers conferred upon them.

## **E. CONFLICTS OF INTEREST**

### **Article 18 –DUTY OF DELICACY**

18.1 Without prejudice to article 523 and 524ter of the Belgian Companies Code, if a Board member or a member of the Management Board has a direct or indirect interest of any nature whatsoever that is in conflict with a proposed act or decision which, as applicable, is or may become within the sphere of competence of the Board of Directors or the Management Board, including as a result of a dual function, he shall inform the Chairman at once and may not take part in the deliberations or the vote on that proposal; however, when a dual function concerns a company linked to the company in the sense of article 11 of the Belgian Companies Code, it may, notwithstanding the above, attend deliberations and take part in the vote.

18.2 In a general sense, the bank operates a transparent and detailed policy on conflicts of interest.

## **SECTION IV – MEETINGS OF SHAREHOLDERS**

### **Article 19 – MEETINGS OF SHAREHOLDERS**

19.1 The General Meeting of shareholders represents all shareholders.

Decisions of the General Meeting are binding, even in respect of shareholders who abstain or vote against the motion.

Each share gives entitlement to one vote. If the shares are split into sub-shares, in sufficient quantity the sub-shares shall confer the same rights as a share, unless the law provides to the contrary.

19.2 Bondholders, holders of warrants and certificates, issued in collaboration with the Company, may only attend the General Meeting in an advisory capacity.

### **Article 20 – CONVENING GENERAL MEETINGS**

The ordinary General Meetings are convened by the Board of Directors.

The Board of Directors or the auditors may convene extraordinary and special General Meetings. They are obliged to do so at the request of one or more shareholders who own at least one fifth of the shares or who represent at least one fifth of the share capital, within two weeks of the date of the postmark of the registered letter sent to the Board of Directors which states and justifies the items on the agenda and the motions.

### **Article 21 – ANNUAL MEETING**

The Annual Meeting of shareholders takes place on the last Wednesday of April at 2.30 p.m., at the registered office or any other place indicated in the attendance notice. If that day is a legal or bank holiday, the Meeting will take place on the following bank working day.

#### **Article 22 – FORMALITIES FOR ADMISSION TO THE GENERAL MEETING**

The holders of registered shares must give notice of their intention to attend the General Meeting.

Any shareholder may be represented at the General Meeting by a proxy holder, whether the latter is himself a shareholder or not.

Bondholders, holders of warrants and certificates, issued in collaboration with the Company, may only attend the General Meeting in an advisory capacity.

Registered bondholders, registered holders of warrants and certificates, issued in collaboration with the Company, must at least five days prior to the date of the General Meeting, give notice in writing of their intention to attend the General Meeting.

Bearer bondholders, holders of warrants and certificates, issued in collaboration with the Company, must at least five days prior to the date of the General Meeting, deposit their securities at the registered office of the Company or at another place mentioned in the convening notice; the holders of dematerialised securities must in the same manner deposit a certificate which is drawn up by the certified account holder or clearing institution, confirming that the securities are unavailable until the date of the Meeting, inclusive. They shall be admitted to the General Meeting upon presentation of the certificate proving that their securities or the certificate was deposited in time.

Co-owners, beneficial owners and bare owners, secured creditors and secured debtors must be represented respectively by one and the same person.

Shareholders may, pursuant to the provision of article 540 of the Belgian Companies Code, put questions to the directors and/or auditor(s) about their reports or points on the agenda. These questions will be answered, where appropriate, by the directors or auditors during the General Meeting.

Shareholders may put the questions dealt with above in writing as soon as the attendance notice has been issued. Provided these shareholders have satisfied the formalities for admission to the meeting and these questions reach the company at the latest on the sixth day prior to the meeting, these questions will be answered.

With the exception of resolutions which have to be passed by notarial act, the shareholders may adopt all resolutions, unanimously and in writing, for which the General Meeting is empowered. For this purpose the Board of Directors shall send the shareholders a registered circular and send the Board members and statutory auditors a circular by ordinary mail, fax, e-mail or any other medium stating the agenda and motions and requesting approval of the motions by the shareholders and return of the letter, duly signed, to the address stated in the circular, within a period of fifteen banking days of receipt. If the approval of all shareholders is not received within this period, the resolution shall be deemed not passed. The holders of bonds, warrants and certificates issued with the company's collaboration may take note of these resolutions at the registered office of the company.

#### **Article 23 – ORGANISATION OF THE MEETING**

The Chairman of the Board of Directors chairs the Meeting. He designates the other members of the board of the Meeting.

In the event of his absence, the Chairman is replaced by one of the Vice-Chairmen or, in event of the latter's absence, by a member of the board of directors, designated by the other members.

The minutes of the Meeting shall be signed by the members of the board of the Meeting and by the shareholders who so request.

Copies and extracts of the minutes of the Meeting shall be signed by the Chairman or one of the Vice-Chairmen of the Board of Directors or by two Non-Executive Directors, or by the Secretary-General or by the Secretary of the Meeting.

### **SECTION V – AUDITORS**

#### **Article 24 - AUDITORS**

The auditing of the financial situation and the annual accounts of the Company is entrusted to one or more auditors approved by the National Bank of Belgium, who are appointed for a period of three years by the General Meeting, on the proposal of the Board of Directors and on the nomination of the Works Council.

If several auditors are appointed, they shall form a collegial body.

### **SECTION VI – ANNUAL ACCOUNTS**

#### **Article 25 – FINANCIAL YEAR, INVENTORY, ANNUAL ACCOUNTS**

The financial year starts on the first of January and ends on the thirty-first of December.



On the thirty-first of December of each year, the Board of Directors draws up an inventory of all assets, rights, receivables, debts and liabilities of whatever kind relating to the business activity of the Company and the Company's own funds allocated to this.

It reconciles the accounts with the inventory data and draws up the annual accounts.

#### **Article 26 – DISTRIBUTION OF PROFITS**

26.1 To the amount of the legal minimum, at least one twentieth of the net profits is taken each year to be allocated to the legal reserve.

Distributable profits are made up of the net profits for the financial year, minus prior losses and the allocation provided for in the preceding paragraph, increased by the amount of credit balances carried forward.

26.2 The General Meeting, on the proposal of the Board of Directors, determines the portion of the distributable profits to be allocated to shareholders in the form of dividends. With regard to any surplus, if any, the General Meeting decides either to carry it forward or to enter it under one or more reserve items of which it regulates the use and application. Furthermore, the General Meeting may decide to distribute sums withdrawn from the reserves available to it; in this case, the decision shall expressly indicate the reserve items from which the withdrawals are made. However, dividends are in the first instance taken from the distributable profits of the respective financial year.

26.3 The terms of payment of dividends are determined by the Board of Directors.

Under the conditions provided for the Belgian Companies Code, the Board of Directors may pay interim dividends.

### **SECTION VII – WINDING-UP**

#### **Article 27 – WINDING-UP, DISTRIBUTION OF AVAILABLE ASSETS**

In the event of the Company being wound up, the General Meeting appoints one or more liquidators, and determines their powers and fees and fixes the liquidation procedure.

The Board of Directors is as a matter of law responsible for the liquidation until the liquidators are appointed.

After clearance of the Company's debts and liabilities, the liquidation proceeds are distributed equally between the shareholders in one or more instalments.

### **SECTION VIII – MISCELLANEOUS PROVISIONS**

#### **Article 28 – ELECTION OF DOMICILE**

The shareholders, members of the Board, auditors and liquidators are obliged to elect domicile in Belgium for all their dealings with the Company. If they do not comply with this obligation, they shall be deemed to have elected domicile at the registered office of the Company, where all writs, notices and summons will be served upon them and where all letters and communications may be sent to them.

#### **Article 29 – TRANSITIONAL PROVISIONS**

Article 7.1, paragraph 2 will not take effect until the fiscal year commencing on 1 January 2019.

In the interim the Company will ensure that the objective described in that article is gradually achieved as further appointments and reappointments are made.

Coordinated text of the Articles of Association certified true by Carole Guillemyn, Master of Law, notary in partnership in Brussels, 24 December 2013.

# Annex 3: Prospectus of the Underlying Value

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# Belfius Equities

# Prospectus

Société d'investissement à capital variable de droit belge à nombre variable de parts optant pour des placements répondant aux conditions prévues par la Directive OPCVM.

Le prospectus est composé des éléments suivants : (i) Informations concernant la sicav et les compartiments, (ii) Statuts, (iii) Rapports périodiques.

Juin 2018

# Préambule

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Les parts du Fonds ne sont pas et ne seront pas enregistrées aux Etats-Unis en application du U.S Securities Act de 1933, tel que modifié ("Securities Act 1933") ou admises en vertu d'une quelconque loi des Etats- Unis. Ces parts ne doivent être ni offertes, vendues, ou transférées aux Etats-Unis (y compris dans ses territoires et possessions), ni bénéficié, directement ou indirectement, à une US Person (au sens du règlement S du Securities Act de 1933 et assimilées). Toutefois, nonobstant ce qui précède, le Fonds se réserve le droit d'effectuer des placements privés de ses actions auprès d'un nombre limité d'US Person, dans la mesure autorisée par les lois américaines en vigueur. Par ailleurs, les institutions financières qui ne se conforment pas (« non compliant ») au programme FATCA ("FATCA" désignant le "Foreign Account Tax Compliance Act" américain, tel qu'inclus dans le "Hiring Incentives to Restore Employment Act" ("HIRE Act"), ainsi que ses mesures d'application et incluant les dispositions analogues adoptées par les pays partenaires qui ont signé un "Intergovernmental Agreement" avec les Etats-Unis), doivent s'attendre à être contraintes de voir leurs parts rachetées lors de la mise en vigueur de ce programme.

Les parts du Fonds ne peuvent être ni proposées, ni vendues, ni transférées à un régime d'avantages sociaux régi par la loi américaine de protection des régimes d'avantages sociaux (« Employee Retirement Income Security Act of 1974 » ou loi ERISA) ni à un quelconque autre régime d'avantages sociaux américain ou à un compte de retraite individuel (IRA) américain, et ne peuvent être ni proposées, ni vendues, ni transférées à un fiduciaire ni à toute autre personne ou entité mandatée pour la gestion des actifs d'un régime d'avantages sociaux ou d'un compte de retraite individuel américains, collectivement dénommés « gestionnaires d'investissements de régimes d'avantages sociaux américains » (ou « U.S. benefit plan investor »). Les souscripteurs des parts du Fonds peuvent être tenus de fournir une attestation écrite confirmant qu'ils ne sont pas des gestionnaires d'investissements de régimes d'avantages sociaux américains. Lorsque les investisseurs sont ou deviennent des gestionnaires d'investissements de régimes d'avantages sociaux américains, ils doivent immédiatement en avvertir le Fonds et seront tenus de céder leurs parts à des gestionnaires d'investissements de régimes d'avantages sociaux non américains. Le Fonds se réserve un droit de rachat sur toute part qui est ou devient la propriété directe ou indirecte d'un gestionnaire d'investissements de régimes d'avantages sociaux américains. Toutefois, nonobstant ce qui précède, le Fonds se réserve le droit d'effectuer des placements privés de ses parts auprès d'un nombre limité de gestionnaires d'investissements de régimes d'avantages sociaux américains, dans la mesure autorisée par les lois américaines en vigueur.

Conformément aux dispositions de la loi belge relative à la protection des personnes à l'égard du traitement des données à caractère personnel et de toutes les lois et réglementations locales applicables, dans chaque cas, telles qu'amendées, remaniées ou remplacées [y compris à la suite de l'entrée en vigueur du règlement (UE) 2016/679 (ci-après le « RGPD »)], la Société de Gestion collecte, enregistre et traite, par voie électronique ou par tout autre moyen, les données personnelles des investisseurs afin d'exécuter les services demandés par les investisseurs et de respecter les obligations qui lui sont imposées par les lois et réglementations. Les données personnelles des investisseurs traitées par la Société de Gestion incluent, en particulier, le nom, les coordonnées (y compris l'adresse postale ou électronique), le numéro d'identification fiscale (NIF), les coordonnées bancaires, le montant investi et détenu dans le Fonds (« Données personnelles »). Tout investisseur peut à sa discrétion refuser de communiquer des Données personnelles à la Société de Gestion. Dans ce cas cependant, la Société de Gestion peut refuser une demande de souscription de parts. Tout investisseur a le droit : (i) de consulter ses Données personnelles (y compris, dans certains cas, dans un format couramment utilisé, lisible par machine) ; (ii) d'obtenir que ses Données personnelles soient rectifiées (si elles sont incorrectes ou incomplètes) ; (iii) d'obtenir que ses Données personnelles soient supprimées lorsque la Société de Gestion ou le Fonds n'a plus de raison légitime de les traiter ; (iv) d'obtenir que le traitement de ses Données personnelles soit limité ; (v) de s'opposer au traitement de ses Données personnelles par la Société de Gestion dans certaines circonstances ; et (vi) d'introduire une réclamation auprès de l'autorité de contrôle compétente, en écrivant à la Société de Gestion à l'adresse de son siège social. Les Données personnelles sont traitées, en particulier, aux fins de l'exécution des ordres de souscriptions, rachats et conversions des parts, du paiement des dividendes aux investisseurs, de l'administration des comptes, de la gestion des relations avec les clients, de l'exécution de contrôles sur les pratiques de trading excessif et de market timing, de l'identification fiscale conformément

aux lois et réglementations de la Belgique ou d'autres pays [y compris les lois et réglementations relatives au programme FATCA ou au CRS (le « CRS », qui est l'abréviation de « Common Reporting Standard », ou norme commune en matière de déclaration, désigne la Norme pour l'échange automatique de renseignements relatifs aux comptes financiers à des fins fiscales, élaborée par l'OCDE et mise en œuvre, notamment, par la directive 2014/107/UE)] et du respect des règles applicables sur la lutte contre le blanchiment des capitaux. Les Données personnelles fournies par les investisseurs sont également traitées aux fins de la tenue du registre des investisseurs du Fonds. Les Données personnelles peuvent par ailleurs être traitées à des fins de prospection. Tout investisseur a le droit de s'opposer à l'utilisation de ses Données personnelles à des fins de prospection en écrivant au Fonds. La Société de Gestion peut demander le consentement des investisseurs pour collecter ou traiter leurs Données personnelles à certaines occasions, par exemple, à des fins marketing. Les investisseurs peuvent retirer leur consentement à tout moment. La Société de Gestion traite également les Données personnelles des investisseurs lorsque ce traitement est nécessaire pour honorer son contrat avec les investisseurs concernés ou lorsque la loi l'exige, par exemple, si le Fonds reçoit une demande à cette fin d'agents de la force publique ou d'autres agents d'État. La Société de Gestion traite en outre les Données personnelles des investisseurs lorsqu'elle a un intérêt légitime à le faire et que les droits des investisseurs à la protection de leurs données ne priment pas cet intérêt. Par exemple, le Fonds a un intérêt légitime à assurer son bon fonctionnement.

Les Données personnelles peuvent être transférées à des filiales et des entités tierces qui interviennent dans l'activité du Fonds, parmi lesquelles, en particulier, la Société de Gestion, l'Administration Centrale, le Dépositaire, l'Agent de transfert et les Distributeurs, qui se situent dans l'Union européenne. Les Données personnelles peuvent également être transférées à des entités qui se situent dans des pays qui ne sont pas membres de l'Union européenne et dont les lois sur la protection des données n'assurent pas nécessairement un niveau de protection adéquat. En souscrivant des parts, tout investisseur accepte expressément le transfert de ses Données personnelles aux entités précitées et leur traitement par ces entités, y compris les entités situées en dehors de l'Union européenne, et en particulier dans des pays qui n'assurent pas nécessairement un niveau de protection adéquat. La Société de Gestion ou le Fonds peut également transférer les Données personnelles à des tiers, tels que des organismes gouvernementaux ou de réglementation, y compris des autorités fiscales, à l'intérieur ou à l'extérieur de l'Union européenne, conformément aux lois et réglementations applicables. En particulier, les Données personnelles peuvent être divulguées aux autorités fiscales de la Belgique, qui peuvent à leur tour faire fonction de responsable du traitement et les divulguer aux autorités fiscales d'autres pays. Les investisseurs peuvent obtenir de plus amples informations sur la manière dont la SICAV s'assure que les transferts de Données personnelles sont conformes au RGPD, en s'adressant au Fonds au siège social de la Société de Gestion. Sous réserve des durées de conservation minimales légalement applicables, les Données personnelles ne sont pas conservées pendant une durée excédant celle nécessaire aux fins du traitement des données.

## Présentation

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**Dénomination:** Belfius Equities (également dénommé « le Fonds » dans le présent document)

**Forme juridique:** Société Anonyme

**Siège Social:** Place Rogier 11, 1210 Bruxelles, Belgique

**Date de constitution:** 27/05/1991

**Durée d'existence:** Durée illimitée

**Statut:**

Sicav à compartiments multiples, ayant opté pour des placements répondant aux conditions de la Directive 2009/65/CE et régie, en ce qui concerne son fonctionnement et ses placements, par la loi du 3 août 2012 relative aux organismes de placement collectif qui répondent aux conditions de la Directive 2009/65/CE et aux organismes de placement en créances.

**Compartiments:**

Belgium, China, Europe Small & Mid Caps, Europe Conviction, Global Finance, Global Industrials, Global Property Funds, Global Energy, Global Health Care, Robotics & Innovative Technology, Global Telecom, Leading Brands.

#### Classes d'actions :

- **Classe C** : classe de base sans critère de distinction. Elle est offerte aux personnes physiques et aux personnes morales.

- **Classe I** : se caractérise par la qualité de ses investisseurs.

La classe I est réservée aux investisseurs professionnels visés par l'article 5, §3 de la loi du 3 août 2012 relative aux organismes de placement collectif qui répondent aux conditions de la directive 2009/65/CE et aux organismes de placement en créances, dont la souscription initiale minimale est de EUR 250.000. Elle se caractérise par une structure de commissions et frais récurrents supportés par le compartiment plus basse que celle de la classe C.

Les critères objectifs qui sont appliqués pour autoriser certaines personnes à souscrire aux actions de cette classe et vérifiés en permanence sont leur qualité d'investisseur institutionnel et le montant de souscription initiale minimale.

- **Classe LOCK (également dénommée « classe L »)** : se caractérise par l'identité des intermédiaires assurant la commercialisation des actions.

La classe LOCK est une classe d'actions à laquelle est lié un mécanisme visant à limiter le risque de capital encouru. Ce mécanisme est mis en place par Belfius Banque, seul distributeur autorisé à commercialiser ces actions. En investissant dans cette classe, l'investisseur accepte que les actions soient vendues automatiquement dès que la valeur nette d'inventaire a atteint un montant déterminé (cours d'activation). Ainsi, lorsque Belfius constate que la valeur nette d'inventaire est égale ou inférieure au cours d'activation, un ordre de rachat est automatiquement généré et exécuté dans les meilleurs délais<sup>(\*)</sup>.

Tout ordre de vente est exécuté à cours inconnu. Le mécanisme ne fournit dès lors aucune garantie sur la valeur nette d'inventaire d'exécution.

Etant donné la spécificité de cette classe, les investisseurs potentiels sont invités, avant de souscrire, à se renseigner auprès de leur conseiller financier chez Belfius Banque afin de prendre connaissance des impératifs techniques et opérationnels liés à ce mécanisme.

<sup>(\*)</sup> **L'ordre de vente sera globalisé dans le premier cut-off (date de clôture de réception des ordres) suivant le jour de calcul de la valeur nette d'inventaire qui a entraîné le déclenchement automatique de l'ordre de rachat, et ce conformément aux modalités de rachats des parts en cas de déclenchement automatique de l'ordre de vente de la classe LOCK.**

- **Classe R** : se caractérise par l'identité des intermédiaires assurant la commercialisation des actions.

La classe R est réservée aux distributeurs et/ou intermédiaires approuvés par la Société de gestion qui ne perçoivent aucune forme de rémunération de la Société de gestion,

- **Classe R2** : se caractérise par l'identité des intermédiaires assurant la commercialisation des actions et/ou la qualité d'investisseur institutionnel.

La classe R2 est réservée :

- aux distributeurs et/ou intermédiaires approuvés par la Société de gestion qui ne perçoivent, pour les investissements dans cette classe, aucune forme de rémunération d'une entité du groupe Candriam, lorsque les investissements finaux dans les actions ont lieu dans le cadre d'un mandat.

- aux OPC approuvés par la Société de gestion.

- **Classe Z** : se caractérise par l'absence de rémunération de la gestion du portefeuille d'investissement.

La classe Z est réservée :

- aux investisseurs institutionnels/professionnels qui ont conclu avec une entité du groupe Candriam un contrat de gestion discrétionnaire. L'activité de gestion de portefeuille pour cette classe étant directement rémunérée via le contrat conclu avec l'investisseur, aucune commission de gestion de portefeuille ne sera prélevée sur les actifs de cette classe.

- aux OPC approuvés par la Société de gestion et gérés par une entité du groupe Candriam.

S'il apparaît qu'un investisseur ne remplit plus les conditions d'accès à la classe dans laquelle il se trouve, le Conseil d'administration peut prendre toutes les mesures nécessaires et le cas échéant, procéder à la conversion des actions en actions d'une autre classe appropriée.

Dans les cas visés par la réglementation, le Conseil d'Administration demande à l'agent de transfert et/ou aux institutions assurant le service financier d'établir une procédure permettant de vérifier en permanence que les personnes qui ont souscrit des actions d'une classe déterminée,

bénéficiant sur un ou plusieurs points, d'un régime plus avantageux, ou qui ont acquis de telles actions, satisfont toujours aux critères.

Le Conseil d'Administration peut également décider, dans l'intérêt des actionnaires, de convertir des actions d'une classe en actions d'une autre classe, sans toutefois imputer les frais de conversion aux actionnaires. Un avis sera publié dans la presse.

#### Conseil d'administration:

##### Président:

- M. Tomas CATRYSSSE, Head of Corporate Office - Wealth Management, Belfius Banque

##### Administrateurs:

- Mme Myriam VANNESTE, Global Head of Product Management, Candriam Belgium

- M. Gunther WUYTS, administrateur indépendant.

- M. Vincent HAMELINK, Chief Investment Officer, Candriam Belgium, Member of the Executive Committee, Candriam.

- Mr Joris LAENEN, Managing Director, Belfius Investment Partners S.A., Member of the Executive Committee, Belfius Investment Partners S.A.

- Mr Michel HUBAIN, Chief Investment Officer, Belfius Investment Partners S.A., Member of the Executive Committee, Belfius Investment Partners S.A.

#### Société de gestion:

Belfius Investment Partners, ayant son siège social à Place Rogier 11, 1210 Bruxelles, a été désignée en tant que société de gestion d'organismes de placement collectif.

Forme juridique: société anonyme.

Belfius Investment Partners a été constituée le 20 mai 2016 pour une durée indéterminée. Le montant de son capital souscrit et libéré s'élève à 93.445.000 euros.

Belfius Investment Partners a été désignée en tant que Société de gestion pour les OPC suivants:

- Organismes de placement collectif en valeurs mobilières (OPCVM): Belfius Fullinvest, Belfius Global, Belfius Equities, Belfius Multi Manager, Belfius Plan Bonds, Belfius Plan Equities, Belfius Plan High, Belfius Plan Low, Belfius Plan Medium, Belfius Portfolio, Belfius Pension Fund Balanced Plus, Belfius Pension Fund High Equities, Belfius Pension Fund Low Equities.

- OPCA : Belfius Portfolio Advanced, Belfius Select Portfolio.

#### × Conseil d'administration

Son conseil d'administration est composé des personnes suivantes:

##### Président:

- M. Frédéric Van Der Schueren, Chief Financial Officer et Membre du Comité de Direction de Belfius Insurance

##### Administrateurs non-exécutifs:

- M. Filip De Nil, Director Investments & Protection chez Belfius Banque

- M. Christophe Demain, Chief Investment Officer chez Belfius Insurance

- M. Bruno Accou, Head of Financial Markets chez Belfius Banque

- M. Frank Plingers, Head of Financial Markets Risk Management chez Belfius Banque

- M. Christoph Finck, Administrateur indépendant, Membre de l'Institut Luxembourgeois des Administrateurs

- Mme Anne Heldenbergh, Administrateur indépendant, Doyenne de la Faculté Warocqué d'Economie et de Gestion de l'Université de Mons

- M. Michel Luttgens, Chief Distribution Officer, Membre du Comité de Direction Belfius Insurance

#### × Comité de direction

Son Comité de direction est composé des administrateurs suivants:

- M. Joris Laenen, Président et Managing Director

- M. Michel Hubain, Membre et Chief Investment Officer

- M. Cédric September, Membre et Chief Risk Officer

#### × Politique de rémunération

Belfius Investment Partners a adopté une politique de rémunération conforme à la législation belge et européenne applicable aux sociétés de gestion. En tant que filiale du groupe Belfius, BIP respecte également les principes applicables à Belfius Banque et à ses filiales.

La politique de rémunération de BIP a pour objectif de promouvoir une gestion saine et efficace des risques, veillant à décourager une prise de risque excessive ou incompatible avec les profils de risque des fonds gérés. Elle a été conçue de façon à privilégier en permanence les intérêts des fonds gérés et à éviter la survenance de conflits d'intérêts.

Ses lignes de force sont les suivantes :

• **Champ d'application** : Les fonctions à laquelle cette politique de rémunération s'applique ont été soigneusement identifiées à la

lumière de critères qualitatifs et quantitatifs. De manière générale sont concernées par celle-ci l'ensemble des fonctions ayant une influence significative sur le risque encouru par un fonds géré ou par la société de gestion elle-même, ainsi que les fonctions de contrôle de ces risques.

- **Principes :** La politique de rémunération équilibre les composantes fixe et variable. S'il y a paiement d'une rémunération variable, celui-ci est conditionné à la réalisation d'objectifs définis sur le long terme et liés à la performance et à la maîtrise du risque des fonds gérés. En ce qui concerne la rémunération variable, la politique de rémunération prévoit en outre son octroi partiellement sous forme de parts des fonds gérés, l'échelonnement sur plusieurs années du paiement de celle-ci, ainsi que son remboursement éventuel, ce qui assure à l'investisseur la persistance de la convergence d'intérêts entre les fonds gérés et leur gestionnaire.
- **Gouvernance et contrôle :** Conformément aux Orientations d'Esma relatives aux politiques de rémunération applicables aux gestionnaires d'OPCVM/OPCA, BIP relève du comité de rémunération de la maison-mère, qui est responsable de la préparation des décisions en matière de rémunération..

De plus amples informations sur la politique de rémunération de Belfius Investment Partners, y compris une description de la méthode de calcul de la rémunération et des règles de versement, de l'identité des personnes responsables de l'octroi des rémunérations et de leurs versements sont consultables sur le site de Belfius Investment Partners ([www.belfiusip.be](http://www.belfiusip.be)) et en version imprimée sur demande et gratuitement

✕ **Commissaire**

Le commissaire de la Société de gestion est Deloitte, Réviseurs d'entreprises, Société civile sous forme d'une SCRL, ayant son siège social à Berkenlaan 8B, 1831 Diegem, représentée par Monsieur Bart Dewael.

- *Délégation de la gestion financière journalière du portefeuille d'investissement et de la gestion des ordres :*

Candriam Belgium, Avenue des Arts 58, 1000 Bruxelles (ci-après également « l'Investment Manager »).

Candriam Belgium est une société de gestion d'organismes de placement collectif (alternatifs), constituée en Belgique le 30 janvier 1998 pour une durée illimitée.

- *Sous-délégation par l'Investment Manager de la gestion financière journalière du portefeuille d'investissement et/ou de la gestion des ordres:*

Compartiment	Gestion financière journalière	Gestion des ordres
Global Property Funds	Candriam Luxembourg	Candriam Luxembourg

Candriam Luxembourg, SERENITY - Bloc B, 19-21 route d'Arlon, L-8009 Strassen (Luxembourg) est une société de gestion d'organismes de placement collectif (alternatifs), constituée à Luxembourg le 10 juillet 1991 pour une durée illimitée.

Le contrat de délégation et de sous-délégation peut être dénoncé par chaque partie moyennant un préavis écrit ou par la Société de gestion avec effet immédiat lorsqu'il y va de l'intérêt des investisseurs.

- *Sous-délégation par l'Investment Manager de la mise en œuvre des opérations de prêt et emprunt de titres liées à la fonction de gestion de portefeuille d'investissement:*

Candriam France, Washington Plaza, 40 rue Washington, 75409 Paris Cedex 08, France..

Candriam France est gestionnaire de fonds d'investissement alternatifs constitué/une Société de gestion de portefeuille constituée en France en 1988 pour une durée limitée.

**Personnes physiques chargées de la direction effective:**

- M. Michel HUBAIN, Chief Investment Officer, Belfius Investment Partners, Member of the Executive Committee, Belfius Investment Partners, administrateur dans différents OPCVM/OPCA.
- Mme Myriam VANNESTE, Candriam Belgium, Global Head of Product Management, administrateur dans différents OPCVM/OPCA.

**Délégation de l'administration:**

RBC Investor Services Belgium S.A., Boulevard du Roi Albert II 37, 1030 Bruxelles.

Pour certaines fonctions de l'administration liées à l'activité d'Agent de Transfert: Belfius Banque S.A., place Rogier 11, 1210 Bruxelles.

**À partir du 02/07/2018 :**

RBC Investor Services Belgium S.A., Boulevard du Roi Albert II 37, 1030 Bruxelles est ainsi notamment chargée de la tenue de la comptabilité, du calcul et de la publication de la valeur nette d'inventaire des actions de chaque compartiment conformément à la Loi et aux statuts du Fonds..

Belfius Banque S.A., place Rogier 11, 1210 Bruxelles est chargée de la tenue du registre des actionnaires, de l'émission, du rachat et de la conversion des actions.

Les fonctions de l'administration liées à l'activité de Montage sont assurées par Candriam Belgium.

**Service(s) financier(s):**

Belfius Banque S.A., place Rogier 11, 1210 Bruxelles.

**Distributeur(s):**

Belfius Banque S.A., place Rogier 11, 1210 Bruxelles.

**Dépositaire:**

Le Fonds a désigné Belfius Banque S.A., ayant son siège social à place Rogier 11, 1210 Bruxelles, avec le numéro d'entreprise 0403.201.185, en tant que banque dépositaire et agent payeur principal (le "Dépositaire") avec des responsabilités en matière de :

- Garde des actifs,
- Exécution des tâches de surveillance,
- Suivi des flux des liquidités et
- Exécution des fonctions d'agent payeur principal

conformément au droit applicable et à la réglementation en vigueur et au Contrat de Banque Dépositaire pour une durée indéterminée. Belfius Banque S.A. est un établissement de crédit, soumis à la loi du 25 avril 2014 relative au statut et au contrôle des établissements de crédit.

✕ **Description des tâches**

Dans le cadre de sa responsabilité de surveillance, le Dépositaire est tenu de:

- s'assurer que la vente, l'émission, le rachat, le remboursement et l'annulation des parts du Fonds sont exécutés conformément au droit applicable, aux Statuts et au prospectus du Fonds,
- s'assurer que le calcul de la valeur des parts du Fonds est effectué conformément au droit applicable, aux Statuts et au prospectus du Fonds,
- exécuter les instructions de la société de gestion, sauf si elles sont contraires au droit applicable, aux Statuts et au prospectus du Fonds,
- s'assurer que dans les opérations portant sur les actifs du Fonds, la contrepartie lui est remise dans les délais d'usage;
- s'assurer que les produits du Fonds reçoivent l'affectation conforme au droit applicable, aux Statuts et au prospectus du Fonds.

Le Dépositaire effectuera ses tâches et obligations conformément à la loi et au contrat entre le Fonds et Belfius Banque S.A., agira honnêtement, équitablement, professionnellement, de manière indépendante, et dans l'intérêt exclusif du Fonds et de ses actionnaires.

✕ **Délégation:**

Le Dépositaire est autorisé à déléguer ses obligations de garde en vertu du droit applicable à des délégués et à des sous-dépositaires et à ouvrir des comptes auprès de ces sous-dépositaires.

Le Dépositaire détient ses titres auprès de BONY, Euroclear, KBC Securities, BIL et la BNB ainsi que de leurs éventuels sous-dépositaires, en fonction des caractéristiques des actifs sous-jacents des fonds concernés.

La liste la plus récente des délégués (dépositaires) et des sous-dépositaires peut être obtenue sur demande auprès du Dépositaire.

Le Dépositaire conserve également auprès de ces dépositaires et sous-dépositaires des titres pour des parties tierces, mais dans le respect des obligations légales en matière de ségrégation des titres.

✕ **Les conflits d'intérêts du Dépositaire**

De manière continue, le Dépositaire analyse, sur base des lois et règlements applicables, tous les conflits d'intérêts potentiels qui pourraient survenir dans le cadre de ses fonctions. Tout conflit d'intérêt potentiel identifié est traité conformément à la politique de gestion des conflits d'intérêts du Dépositaire.

De plus, des conflits d'intérêts potentiels peuvent découler de la prestation d'autres services par le Dépositaire et/ou par ses filiales au Fonds, à Belfius Investment Partners et/ou à d'autres parties. Par exemple, le Dépositaire et/ou ses filiales peuvent agir en tant que banque dépositaire, distributeur, société de gestion, ... pour le Fonds et d'autres fonds.



Le Dépositaire a mis en place et tient à jour une politique de gestion des conflits d'intérêts visant à :

- Identifier et analyser les situations potentielles de conflits d'intérêts;
- Enregistrer, gérer et surveiller les situations de conflits d'intérêts.

Des informations à jour concernant la politique relative aux conflits d'intérêts susmentionnée peuvent être obtenues, sur demande, auprès du Dépositaire..

#### Commissaire:

PricewaterhouseCoopers Réviseurs d'Entreprises / Bedrijfsrevisoren, ayant son siège social Woluwedal 18, 1932 Woluwe-Saint-Etienne, dont le représentant permanent est Monsieur Damien Walgrave.

#### Promoteur(s):

Belfius Investment Partners S.A., Place Rogier 11, 1210 Bruxelles.  
Belfius Banque S.A., place Rogier 11, 1210 Bruxelles.

#### Personne(s) supportant les frais dans les situations visées aux articles 115, §3, alinéa 3, 149, 152, 156, 157, §1er, alinéa 3, 165, 179 et 180, alinéa 3 de l'arrêté royal du 12 novembre 2012 relatif aux organismes de placement collectif qui répondent aux conditions de la directive 2009/65/CE:

En général: Belfius Banque et/ou la Société de gestion.

Dans les situations visées aux articles 156 et 165 de l'arrêté royal du 12 novembre 2012 précité: Les personnes répondant aux critères énoncés dans les articles précités et selon les modalités qui y sont fixées.

#### Capital:

Le capital social est toujours égal à la valeur de l'actif net. Il ne peut être inférieur à 1.200.000euros.

#### Règles pour l'évaluation des actifs:

Voyez l'article 12 des statuts.

#### Date de clôture des comptes:

30 juin.

#### Règles relatives à l'affectation des produits nets:

L'Assemblée Générale ordinaire déterminera chaque année, sur proposition du Conseil d'Administration, de l'affectation du résultat net annuel fixé sur base des comptes clôturés conformément à la législation en vigueur.

Le cas échéant, l'Assemblée Générale peut décider de distribuer aux actions de distribution leur quote-part des revenus provenant des investissements ainsi que des plus-values réalisées ou non, sous déduction des moins-values réalisées ou non et de capitaliser les montants correspondants revenant aux actions de capitalisation.

En principe, et sauf décision contraire du Conseil d'Administration, les dividendes sont distribués dans les six semaines suivant le jour de l'assemblée générale ordinaire. Les institutions assurant le service financier sont chargées du paiement du dividende.

#### Régime fiscal dans le chef de l'investisseur:

- \* *Régime fiscal des dividendes :*  
Précompte mobilier libératoire de 30% pour les personnes physiques.
- \* *Régime fiscal de la plus-value, uniquement applicable aux investisseurs soumis à l'impôt des personnes physiques :*  
Taxation des plus-values reçues en cas de cession à titre onéreux, de rachat de parts par le fonds ou en cas de partage total ou partiel de l'avoir social du fonds durant la période d'un an débutant le 1<sup>er</sup> jour du 5<sup>ème</sup> mois suivant la date de clôture des comptes:  
Pendant l'exercice de référence, tous les compartiments ont investi directement ou indirectement moins de 25% de leur patrimoine dans des créances visées à l'article 19bis du Code des Impôts sur les Revenus (CIR). Par conséquent, en cas de cession à titre onéreux, de rachat de ses parts par l'OPC ou en cas de partage total ou partiel de l'avoir social de l'OPC, le revenu réalisé par l'investisseur ne sera pas soumis au précompte mobilier. Par ailleurs, les plus-values réalisées sur des parts d'OPC ne sont pas soumises à l'impôt des personnes physiques, lorsque l'investisseur agit dans le cadre de la gestion normale de son patrimoine privé. Au cas où la plus-value deviendrait taxable, si ce calcul ne peut être effectué suite au défaut d'informations sur la valeur nette d'inventaire à la date d'acquisition ou au 1er juillet 2005, l'investisseur doit s'attendre à être taxé sur base du montant total reçu lors de la cession, du rachat ou du partage.

Il est recommandé à l'investisseur de vérifier si, à la date de la cession à titre onéreux, du rachat de parts ou du partage de l'avoir social du Fonds, le statut du compartiment a évolué.

- \* *Taxation des plus-values réalisées par des ASBL et autres entités soumises à l'impôt des personnes morales au sens de l'art. 220 du CIR:* actuellement, les plus-values reçues en cas de cession à titre onéreux, de rachat de parts par le Fonds ou en cas de partage total ou partiel de l'avoir social de l'OPC ne sont pas soumises au précompte mobilier.

Le régime fiscal exposé ci-dessus est sujet à modifications.

Le régime de taxation des revenus et des plus-values perçus par un investisseur dépend de la législation applicable à son statut particulier dans le pays de perception.

En cas de doute sur le régime fiscal applicable, il incombe à l'investisseur de se renseigner personnellement auprès de professionnels ou de conseillers compétents.

#### Régime fiscal dans le chef du Fonds:

- \* Le Fonds est soumis à l'impôt des sociétés belge, mais sa base imposable est limitée au montant total des avantages anormaux ou bénévoles reçus et des dépenses et charges non déductibles à titre de frais professionnels autres que des réductions de valeur et moins-values sur actions ou parts (art 185 bis CIR92).
- \* Le Fonds a droit à une imputation du Précompte Mobilier belge, sauf pour les dividendes belges. Quant aux revenus étrangers encaissés par le Fonds, une réduction des retenues à la source est, dans certains cas, possible conformément aux conventions préventives de double imposition.

#### Sources d'information:

- Le rachat ou le remboursement de parts s'effectuera aux guichets des institutions assurant le service financier. Les informations concernant le Fonds sont diffusées dans la presse financière spécialisée ou via un autre moyen.
- Sur demande, le prospectus, les informations clés pour l'investisseur, les statuts, les rapports annuel et semestriel ainsi que, l'information complète sur les autres compartiments peuvent être obtenus, gratuitement, avant ou après la souscription des parts, auprès des institutions assurant le service financier.
- Pour des exigences réglementaires et/ou fiscales, la société de gestion peut transmettre, en dehors des publications légales, la composition du portefeuille du Fonds et toute information y relative aux investisseurs qui en font la demande.
- Le taux de rotation du portefeuille est repris dans le dernier rapport annuel. Le taux de rotation montre (en pourcentage) la moyenne annuelle des transactions opérées dans le portefeuille du Fonds en fonction des souscriptions et remboursements de la période concernée. La formule retenue est celle publiée dans l'arrêté royal du 12 novembre 2012 relatif aux organismes de placement collectif qui répondent aux conditions de la directive 2009/65/CE en son annexe B, section II. Le taux de rotation du portefeuille calculé selon ces modalités peut être considéré comme un indicateur complémentaire de l'importance des frais de transaction.
- Les frais courants, calculés conformément aux dispositions du Règlement (UE) No 583/2010 de la Commission du 1er juillet 2010 mettant en oeuvre la directive 2009/65/CE du Parlement européen et du Conseil en ce qui concerne les informations clés pour l'investisseur et les conditions à remplir lors de la fourniture des informations clés pour l'investisseur ou du prospectus sur un support durable autre que le papier ou au moyen d'un site web (ci-après le Règlement 583/2010) sont repris dans les informations clés pour l'investisseur.  
Les frais courants consistent en tous paiements déduits de l'actif du Fonds lorsqu'une telle déduction est imposée ou autorisée par la réglementation, les statuts ou le prospectus. Ils n'incluent cependant pas une éventuelle commission de performance, ni les coûts des opérations de portefeuille, exceptés ceux facturés par la banque dépositaire, sauf des cas où des frais d'entrée/de sortie sont payés par le Fonds lors de l'achat/la vente de parts d'un autre fonds.  
Ils prennent la forme d'un chiffre unique exprimé en pourcentage et fondé sur les frais de l'exercice comptable précédent. Dans certains cas, ils peuvent être exprimés sous forme d'un montant maximum à facturé ou être établis sur la base d'une autre période passée d'un an, voire faire l'objet d'une estimation.
- Les performances historiques sont disponibles dans le dernier rapport annuel. L'attention des investisseurs est attirée sur le fait que ces données ne constituent en aucun cas un indicateur de la performance future du fonds.

- Les documents suivants et les informations suivantes peuvent être consultés sur le site internet de la Société de gestion [www.belfiusip.be](http://www.belfiusip.be): le prospectus, les informations clés pour l'investisseur et le dernier rapport annuel et semestriel.

**Point de contact où des explications supplémentaires peuvent être obtenues si nécessaire:**

- Belfius Banque au numéro 02/222 12 01, accessible chaque jour bancaire ouvrable entre 8h et 22h, le samedi de 9h à 17h et à l'adresse e-mail suivante [info@belfius.be](mailto:info@belfius.be).
- Belfius Investment Partners à l'adresse e-mail suivante [info@belfiusip.be](mailto:info@belfiusip.be).

**Assemblée générale annuelle des participants:**

Dernier jeudi du mois de septembre à 11h00, au siège social ou en tout autre endroit en Belgique, précisé dans l'avis de convocation. Si ce jour est un jour férié légal ou un jour de fermeture bancaire en Belgique, l'assemblée générale annuelle se tiendra le premier jour ouvrable bancaire suivant.

**Autorité compétente:**

Autorité des services et marchés financiers (FSMA), rue du Congrès 12-14, 1000 Bruxelles.

Le prospectus est publié après avoir été approuvé par la FSMA, conformément à l'article 60, § 1<sup>er</sup> de la loi du 3 août 2012 relative aux organismes de placement collectif qui répondent aux conditions de la Directive 2009/65/CE et aux organismes de placement en créances. Cette approbation ne comporte aucune appréciation de l'opportunité et de la qualité de l'offre, ni de la situation de celui qui la réalise. Le texte officiel des statuts a été déposé au greffe du tribunal de commerce.

**Personnes responsables du contenu du prospectus:**

Le Conseil d'Administration. A sa connaissance, les données du prospectus sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

**Personnes responsables du contenu des informations clés pour l'investisseur:**

La responsabilité de la Société de gestion ne peut être engagée que sur la base de déclarations contenues dans les informations clés pour l'investisseur qui seraient trompeuses, inexactes ou non cohérentes avec les parties correspondantes du prospectus. A sa connaissance, les données des informations clés pour l'investisseur sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

**Droit de vote des participants:**

Dans la mesure où il n'est pas autrement disposé par la loi ou les statuts, les décisions au cours d'une Assemblée Générale des actionnaires dûment convoquée sont prises à la majorité simple des actionnaires présents ou représentés et votant. Les décisions relatives au compartiment seront également prises, dans la mesure où il n'en est pas autrement disposé par la loi, à la majorité simple des actionnaires du compartiment concerné présents ou représentés et votant.

D'une manière générale, des assemblées générales peuvent se tenir pour chaque compartiment, dans les mêmes conditions que pour les autres assemblées générales.

Lorsque les parts sont de valeur égale, toute part entière donne droit à une voix. Lorsque les parts sont de valeur inégale, toute part entière confère de plein droit un nombre de voix proportionnel à la partie du capital qu'elle représente, en comptant pour une voix la part représentant la quotité la plus faible; il n'est pas tenu compte des fractions de voix.

**Liquidation d'un compartiment:**

La décision du Conseil d'Administration de procéder à la dissolution et de la mise en liquidation d'un compartiment pourrait découler entre autres de changements substantiels et défavorables dans la situation économique, politique et sociale dans les pays où des investissements sont effectués, où les parts du compartiment sont distribuées, ou encore si l'encours du compartiment devient trop faible et que la gestion de ce compartiment devient trop lourde et coûteuse. Une telle décision sera soumise à l'assemblée générale des actionnaires du compartiment.

Les opérations seront conduites par un ou plusieurs liquidateurs qui pourront être des personnes physiques ou morales et qui seront nommés par l'assemblée générale des actionnaires qui déterminera leurs pouvoirs et leurs rémunérations.

Le produit net de liquidation du compartiment sera distribué aux actionnaires du compartiment au prorata de leur participation dans le compartiment.

**Suspension du calcul de la valeur nette d'inventaire et de l'émission, du rachat et de la conversion des parts:**

Sans préjudice des causes légales de suspension, le calcul de la valeur nette d'inventaire, l'émission, le rachat et la conversion peuvent être suspendus dans les cas suivants:

1. lorsqu'un ou plusieurs marchés sur lesquels plus de 20% des actifs sont négociés, ou un ou plusieurs marchés de change importants où sont négociées les devises dans lesquelles est exprimée la valeur des actifs, sont fermés pour une raison autre que les vacances légales, ou lorsque les transactions y sont suspendues ou limitées;  
Le Conseil d'administration déterminera les situations dans lesquelles une valeur nette d'inventaire officielle sera calculée sur la base de laquelle aucune demande d'émission, de rachat ou de conversion ne sera acceptée.
2. lorsque la situation est grave au point que les avoirs et/ou engagements ne peuvent pas être évalués correctement, ou sont indisponibles si ce n'est en portant gravement préjudice aux intérêts des actionnaires;
3. lorsqu'il n'est pas possible de transférer des espèces ou d'effectuer des transactions à un prix ou à un taux de change normal, ou lorsque des limitations sont imposées aux marchés des changes ou aux marchés financiers;
4. en cas de défaillance des moyens informatiques rendant impossible le calcul de la valeur nette d'inventaire;
5. dès la publication de la convocation à l'assemblée générale compétente des actionnaires, qui est invitée à se prononcer sur la dissolution du Fonds ou d'un compartiment du Fonds, lorsque cette dissolution n'a pas pour finalité exclusive la modification de la forme juridique;
6. lors d'une fusion ou autre restructuration, au plus tard la veille du jour où le rapport d'échange et, le cas échéant, la soule ou la rémunération attribuée pour l'apport ou la cession sont calculés.

**Existence de fee-sharing agreements:**

Il peut exister des accords de rétrocession de rémunération.

Lors de la conclusion d'un accord de rétrocession de rémunération, la Société de gestion envisage de mettre tout en oeuvre pour éviter des conflits d'intérêts éventuels. Si toutefois des conflits d'intérêts surgissent, la Société de gestion agira dans l'intérêt exclusif des porteurs de parts du Fonds dont elle assure la gestion.

# Transactions sur instruments financiers dérivés de gré à gré et techniques de gestion efficace de portefeuille

**A. Instruments financiers dérivés de gré à gré**

Dans le cadre d'opérations de gré à gré, les contreparties à ces opérations bénéficient, à l'initiation des transactions, d'un rating minimum BBB- /Baa3 ou équivalent auprès d'au moins une agence de notation reconnue ou de qualité de crédit jugée équivalente par le Risk Management de la Société de Gestion et/ou ses délégataires. Les contreparties sont situées dans un pays membre de l'OCDE.

Des informations supplémentaires sur la ou les contreparties aux transactions figurent dans le rapport annuel.

**B. Techniques de gestion efficace de portefeuille**

Chaque fonds est autorisé, en vue d'accroître son rendement et/ou de réduire ses risques, à recourir à des techniques de gestion efficace de portefeuille qui ont pour objet les valeurs mobilières (comme par exemples des actions, obligations et/ou valeurs assimilables) et les instruments du marché monétaire :

- I. Opérations de prêt de titres



Chaque Fonds peut prêter les titres inclus dans son portefeuille à un emprunteur soit directement soit par l'intermédiaire d'un système standardisé de prêt organisé par un organisme reconnu de compensation de titres ou d'un système de prêt organisé par une institution financière soumise à des règles de surveillance prudentielle et spécialisée dans ce type d'opérations.

Dans le cadre des opérations de prêt de titre, le fonds doit recevoir des suretés répondant aux exigences réglementaires.

Ces opérations de prêt pourront porter sur 100% de l'actif net du Fonds. La proportion attendue devrait généralement varier entre 0% et 75%.

Le Fonds doit veiller à maintenir l'importance des opérations de prêt de titres à un niveau approprié ou doit pouvoir demander la restitution des titres prêtés, de manière à ce qu'il soit à tout instant possible au fonds concerné de faire face à son obligation de rachat et que ces opérations ne compromettent pas la gestion des actifs du fonds conformément à sa politique d'investissement.

## II. Opérations de prise en pension

Chaque Fonds peut s'engager dans des opérations de prise en pension consistant dans des opérations au terme desquelles le cédant (contrepartie) a l'obligation de reprendre le bien mis en pension et le Fonds a l'obligation de restituer le bien pris en pension.

Ces opérations pourront porter sur 50% de l'actif net du Fonds. La proportion attendue devrait varier entre 0% et 25% dans des conditions normales de marché.

Le type de titres faisant objet de prise en pension ainsi que les contreparties doivent répondre aux exigences réglementaires.

Les titres faisant l'objet de la prise en pension doivent être conformes à la politique d'investissement du Fonds concerné et doivent ensemble avec les autres titres que le Fonds a en portefeuille, respecter globalement les restrictions d'investissement.

Pendant toute la durée du contrat de prise en pension, le Fonds ne peut pas vendre ou donner en gage/garantie les titres qui font l'objet de ce contrat, sauf si le Fonds a d'autres moyens de couverture.

## III. Opérations de mise en pension

Chaque Fonds peut s'engager dans des opérations de mise en pension consistant dans des opérations au terme desquelles le Fonds a l'obligation de reprendre le bien mis en pension alors que le cessionnaire (contrepartie) a l'obligation de restituer le bien pris en pension.

Ces opérations, justifiée par des besoins de liquidité temporaire, pourront porter jusqu'à maximum de 10% de l'actif net du Fonds. La proportion attendue devrait généralement varier entre 0% et 10%.

Le type de titres faisant objet de mise en pension ainsi que les contreparties doivent répondre aux exigences réglementaires.

Le Fonds concerné doit disposer, à l'échéance de la durée de la mise en pension, d'actifs nécessaires pour payer le prix convenu de la restitution au Fonds.

L'emploi de ces opérations ne peut résulter en un changement des objectifs d'investissement ou en une prise de risques supplémentaires plus élevés.

## IV. Risques liés et mesures de mitigation

Les risques associés aux techniques de gestion efficace de portefeuille (dont la gestion des garanties) sont identifiés, gérés et limités dans le cadre du processus de gestion des risques. Les risques principaux sont le risque de contrepartie, le risque de livraison, le risque opérationnel, le risque juridique, le risque de conservation et le risque de conflits d'intérêts (tels que définis à la section **Informations concernant le profil de risque**), ces risques étant mitigés par l'organisation et les procédures telles que définies ci-après par la Société de Gestion et/ou de ses délégataires :

### 1. Sélection des contreparties et encadrement juridique

Les contreparties à ces opérations sont validées par le Risk Management de la Société de Gestion et/ou de ses délégataires et bénéficient, à l'initiation des transactions, d'un rating minimum BBB-/Baa3 auprès d'au moins une agence de notation reconnue ou de qualité de crédit jugée équivalente par la Société de Gestion et/ou ses délégataires. Ces contreparties sont des entités soumises à une surveillance prudentielle. Les contreparties sont situées dans un pays membre de l'OCDE. Chaque contrepartie est encadrée par un contrat de marché dont les clauses sont validées par le département légal et / ou par le Risk Management de la Société de Gestion et/ou de ses délégataires.

### 2. Garanties financières

Voir point *Gestion des garanties financières pour les produits dérivés de gré à gré et les techniques de gestion efficace de portefeuille* ci-dessous.

### 3. Restrictions quant au réinvestissement des garanties financières reçues

Voir point *Gestion des garanties financières pour les produits dérivés de gré à gré et les techniques de gestion efficace de portefeuille* ci-dessous.

### 4. Mesures prises pour limiter le risque de conflits d'intérêt

Afin de mitiger les risques de conflits d'intérêt, la Société de Gestion et/ou ses délégataires a/ont mis en place un processus de sélection et de suivi des contreparties par le biais de comités organisés par le Risk Management de la Société de Gestion et/ou de ses délégataires. En outre, la rémunération de ces opérations est en ligne avec les pratiques de marché afin d'éviter tout conflit d'intérêt.

### 5. Politique de rémunération concernant l'activité de prêts de titres

Les revenus liés à l'activité de prêts de titres reviennent intégralement au(x) fonds concerné(s), après déduction des coûts et frais opérationnels directs et indirects. Les coûts et frais payés à la Société de Gestion s'élèvent à maximum 40% de ces revenus.

Dans le cadre de cette activité, la société de gestion assure notamment la conclusion des opérations de prêts de titres et le suivi administratif en découlant, la surveillance des risques de l'activité, la veille juridique et fiscale de l'activité, ainsi que la couverture des risques opérationnels découlant de l'activité.

Les rapports périodiques contiennent des informations détaillées sur les revenus découlant de l'activité de prêt de titres, ainsi que sur les coûts et frais opérationnels occasionnés. Ils renseignent par ailleurs l'identité des entités auxquelles ces coûts et frais sont payés et précisent si celles-ci sont liées à la Société de gestion et/ou à la Banque dépositaire.

### 6. Politique de rémunération concernant l'activité prise en pension

Les revenus liés à l'activité de prise en pension sont intégralement versés au fonds.

### 7. Politique de rémunération concernant l'activité de mise en pension

Cette activité ne génère pas de revenu.

## V. Information périodique des investisseurs

Des informations supplémentaires sur les conditions d'application de ces techniques de gestion efficace de portefeuille figurent dans les rapports annuels et semi-annuels.

## C. Gestion des garanties financières pour les produits dérivés de gré à gré et les techniques de gestion efficace de portefeuille

### I. Critères généraux

Toutes les garanties visant à réduire l'exposition au risque de contrepartie satisferont à tout moment aux critères suivants :

- Liquidité : toute garantie reçue sous une forme autre qu'en espèces présentera une forte liquidité et sera négociée sur un marché réglementé ou dans le cadre d'un système multilatéral de négociation recourant à des méthodes de fixation des prix transparentes, de sorte qu'elle puisse être vendue rapidement à un prix proche de l'évaluation préalable à la vente.
- Évaluation : les garanties reçues seront évaluées au moins quotidiennement et les actifs dont les prix sont sujets à une forte volatilité ne seront acceptés en tant que garanties que si des marges de sécurité suffisamment prudentes sont en place.
- Qualité de crédit des émetteurs : la garantie financière reçue devra être d'excellente qualité.
- Corrélation : la garantie financière reçue devra être émise par une entité indépendante de la contrepartie et ne pas présenter une forte corrélation avec la performance de la contrepartie.
- Diversification : la garantie financière devra être suffisamment diversifiée en termes de pays, marchés et émetteurs. Concernant la diversification par émetteurs, l'exposition maximale à un émetteur, au travers des garanties reçues, n'excédera pas 20 % de l'actif net du fonds concerné.

Cependant, cette limite est portée à 100% pour les titres émis ou garantis par un pays membre de l'OCDE, ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés

comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets.

- Les risques liés à la gestion des garanties, tels que les risques opérationnels et juridiques, seront identifiés, gérés et limités dans le cadre du processus de gestion des risques.
- Les garanties reçues pourront être intégralement mobilisées à tout moment sans en référer à la contrepartie ni requérir son accord.

## II. Types de garanties autorisés

Les types de garanties financières permis sont les suivants :

- Espèces libellées dans une devise d'un pays de l'OCDE,
- Titres de créance de bonne qualité (notés au moins BBB-/ Baa3 ou équivalent par une des agences de notation) émis par un émetteur du secteur public d'un pays de l'OCDE (états, supranationaux,...) et dont la taille d'émission est de € 250 millions minimum et d'une maturité maximale résiduelle de 25 ans,
- Titres de créance de bonne qualité (notés au moins BBB-/ Baa3 ou équivalent par une des agences de notation) émis par un émetteur du secteur privé d'un pays de l'OCDE et dont la taille d'émission est de € 250 millions minimum et d'une maturité maximale résiduelle de 10 ans, actions cotées ou négociées sur un marché réglementé d'un Etat membre de l'Union Européenne ou sur une bourse de valeurs d'un Etat faisant partie de l'OCDE à condition que ces actions soient incluses dans un indice important,
- parts d'organismes de placement collectif offrant une liquidité adéquate et investissant en instruments du marché monétaire, en obligations de bonne qualité ou en actions répondant aux conditions énumérées ci-dessus. Ces OPC sont des ETFs UCITS validés par le Risk Management de la Société de Gestion et/ou de ses délégués sur base notamment de leur liquidité, de la classe d'actifs et de la zone géographique d'investissement.

Le département Risk Management de la Société de Gestion et/ou de ses délégués peut imposer des critères plus stricts et ainsi exclure certains types d'instruments, certains pays, certains émetteurs, voire certains titres.

En cas de matérialisation du risque de contrepartie, le fonds pourrait se retrouver propriétaire de la garantie financière reçue. Si le fonds peut se défaire de cette garantie à une valeur correspondant à la valeur des actifs prêtés/cédés, il n'en supporterait pas de conséquence financière négative. Dans le cas contraire (si la valeur des actifs reçus en garantie a baissé sous la valeur des actifs prêtés/cédés avant qu'il ne soit procédé à leur vente), il subirait une perte correspondant à la différence entre la valeur des actifs prêtés/cédés et la valeur de la garantie, une fois celle-ci liquidée.

## III. Niveau des garanties financières

La Société de gestion et/ou ses délégués a/ont mis en place une politique requérant un niveau de garanties financières en fonction du type d'opérations respectivement comme suit :

- prêts et emprunts de titres : 102% de la valeur des actifs prêtés,
- mise et prise en pension à terme : 100% de la valeur des actifs transférés,
- instruments financiers dérivés de gré à gré : un système d'appels / restitution de marges en cash dans la devise du Fonds est mis en place pour ce qui concerne le risque de contrepartie.

## IV. Politique en matière de décote

La Société de gestion et/ou ses délégués a/ont mis en place une politique de décote adaptée à chaque catégorie d'actifs reçus au titre de garantie financière. Cette politique est tenue gratuitement à la disposition de l'investisseur qui souhaite se la procurer, au siège de la Société de gestion.

## V. Restrictions quant au réinvestissement des garanties financières reçues

Les garanties financières en espèces peuvent uniquement être placées en dépôts auprès d'entités de bonne qualité, investies dans des emprunts d'Etat de bonne qualité, utilisées pour les besoins de prise en pension rappelables à tous moments et/ou investies dans des organismes de placement collectif monétaires à court terme, dans le respect des critères de diversification applicables.

Bien qu'investis dans des actifs présentant un faible degré de risque, les investissements effectués pourraient néanmoins comporter un faible risque financier.

Les garanties financières autres qu'en espèces ne sont ni vendues, ni réinvesties ni mises en gage.

## VI. Conservation des garanties

En cas de transfert de propriété, la garantie reçue sera conservée par la Banque Dépositaire. Pour les autres types d'accords donnant lieu à des garanties, celles-ci peuvent être conservées par un dépositaire tiers soumis à une surveillance prudentielle et qui n'a aucun lien avec le fournisseur des garanties financières.

Les garanties reçues pourront être intégralement mobilisées à tout moment sans en référer à la contrepartie ni requérir son accord.

## VII. Garantie financière en faveur de la contrepartie

Certains dérivés peuvent être soumis à des dépôts de collatéral initiaux en faveur de la contrepartie (cash et/ou titres).

## VIII. Information périodique des investisseurs

Des informations supplémentaires sur l'utilisation de ces techniques de gestion efficace de portefeuille figurent dans les rapports annuels et semi-annuels.

## D. Valorisation

### I. Prise et mise en pension

L'opération (prise ou mise en pension) est valorisée au prix de revient augmenté des intérêts. Pour les contrats dépassant trois mois, le spread de crédit de la contrepartie pourra être réévalué.

### II. Prêt de titres

Les opérations de prêts de titres ne sont pas comptabilisées individuellement en VNI, les revenus générés sont comptabilisés mensuellement. Les titres faisant l'objet des prêts restent valorisés, en VNI, sur base des règles de valorisation définies par ailleurs.

### III. Garantie

Le collatéral reçu est valorisé quotidiennement par la société de gestion et/ou ses délégués et/ou par l'agent de collatéral.

Le collatéral donné est valorisé quotidiennement par la société de gestion et/ou ses délégués et/ou par l'agent de collatéral.

# Informations concernant le profil de risque

L'investisseur est invité à prendre connaissance d'une part des facteurs de risques repris ci-dessous, ainsi que dans les fiches techniques du Fonds et d'autre part du chapitre « profil de risque et de rendement » figurant dans les informations clés pour l'investisseur.

La liste des risques décrits ne prétend pas être exhaustive. Aussi, il est recommandé aux investisseurs potentiels de consulter leurs conseillers spécialisés avant de souscrire.

Liste des risques :

A. Risque **actions** : certains Fonds peuvent être exposés au risque de marché actions (par le biais de valeurs mobilières et/ou par le biais de produits dérivés). Ces investissements, entraînant une exposition à l'achat ou à la vente, peuvent entraîner des risques de pertes importantes. Une variation du marché actions dans le sens inverse des positions pourrait entraîner des risques de pertes et pourrait faire baisser la valeur nette d'inventaire du Fonds.

B. Risque de **taux** : une variation des taux (qui peut notamment découler de l'inflation) peut entraîner des risques de pertes et faire baisser la valeur nette d'inventaire des parts (en particulier lors de hausse des taux si le Fonds a une sensibilité aux taux positive et lors de baisse des taux si

- Le Fonds a une sensibilité aux taux négative). Les obligations à long terme (et les produits dérivés y relatifs) sont plus sensibles aux variations des taux d'intérêts.
- C. Risque sur les **matières premières** : les matières premières pourront avoir une évolution significativement différente des marchés de valeurs mobilières traditionnelles (actions, obligations). Les facteurs climatiques et géopolitiques peuvent également altérer les niveaux d'offre et de demande du produit sous-jacent considéré, autrement dit modifier la rareté attendue de ce dernier sur le marché. Cependant, les matières premières à savoir l'énergie, les métaux ou les produits agricoles, pourront en revanche avoir entre elles des évolutions plus fortement corrélées. Une évolution défavorable de ces marchés pourra faire baisser la valeur nette d'inventaire d'un Fonds.
- D. Risque de **crédit** : risque de défaillance d'un émetteur ou d'une contrepartie. Ce risque inclut le risque d'évolution des spreads de crédit et le risque de défaut.  
Certains fonds peuvent être exposés au marché du crédit et/ou à certains émetteurs en particulier dont les cours vont évoluer en fonction de l'attente que le marché se fait de leurs capacités de remboursement de leur dette. Ces fonds peuvent également être exposés au risque de défaut d'un émetteur sélectionné, soit son impossibilité à honorer le remboursement de sa dette, sous forme de coupons et/ou du principal. Selon que le Fonds soit positionné positivement ou négativement sur le marché du crédit et/ou certains émetteurs en particulier, un mouvement respectivement à la hausse ou à la baisse des spreads de crédit, voire un défaut, peut impacter négativement la valeur nette d'inventaire.  
Certains fonds peuvent utiliser des produits dérivés de gré à gré. Les transactions sur ceux-ci peuvent engendrer un risque de contrepartie assimilé au risque de crédit, soit des pertes encourues au titre des engagements contractés auprès d'une contrepartie défaillante.  
Un fonds qui investit dans des titres de créance de qualité inférieure est plus sensible à ces problèmes et sa valeur peut être plus volatile.
- E. Risque de **dénouement** : le risque que le dénouement par un système de paiement n'ait pas lieu comme prévu, parce que le paiement ou la livraison par une contrepartie n'a pas lieu ou n'est pas effectué conformément aux conditions initiales. Ce risque existe dans la mesure où certains fonds investissent dans des régions où les marchés financiers ne sont pas très développés. Dans les régions où les marchés financiers sont bien développés, ce risque est limité.
- F. Risque de **liquidité** : le risque de liquidité est défini comme étant celui qu'une position, dans le portefeuille du Fonds, ne puisse être cédée, liquidée ou clôturée pour un coût limité et dans un délai suffisamment court, compromettant ainsi la capacité du Fonds à se conformer à tout moment à ses obligations de racheter les parts des investisseurs à leur demande. Sur certains marchés (en particulier obligations émergentes et à haut rendement, actions de faible capitalisation boursière, ...), les fourchettes de cotation peuvent augmenter dans des conditions de marché moins favorables, ce qui peut générer un impact sur la valeur nette d'inventaire en cas d'achats ou de ventes des actifs. En outre, en cas de crise sur ces marchés, les titres peuvent également devenir difficiles à négocier.
- G. Risque de **change** : le risque de change provient des investissements directs du Fonds et de ses interventions sur les instruments financiers à terme, résultant en une exposition à une devise autre que celle de valorisation du Fonds. Les variations du cours de change de cette devise contre celle de valorisation du Fonds peut impacter négativement la valeur des actifs en portefeuille.
- H. Risque de **conservation** : le risque de perte d'actifs détenus par un dépositaire par suite d'insolvabilité, de négligence ou d'actes frauduleux du Dépositaire ou d'un sous-dépositaire. Ce risque est mitigé par les obligations réglementaires des dépositaires.
- I. Risque de **concentration** : risque lié à une concentration importante des investissements sur une catégorie d'actifs ou sur certains marchés. Ceci signifie que l'évolution de ces actifs ou de ces marchés a une forte incidence sur la valeur du portefeuille du Fonds. Plus le portefeuille du Fonds est diversifié, moins le risque de concentration est important. Ce risque est par exemple également plus grand sur des marchés plus spécifiques (certaines régions, secteurs ou thèmes) que sur des marchés largement diversifiés (répartition mondiale).
- J. Risque de **performance** : ce risque découle du niveau d'exposition aux autres risques, du type de gestion (plus ou moins active) et de la présence ou l'absence de mécanisme de protection ou de garantie. La volatilité est un des indicateurs du risque de performance.
- K. Risque pesant sur le **capital** : l'investisseur est averti que son capital n'est pas garanti et peut donc ne pas lui être intégralement restitué. Il est donc susceptible de subir une perte.
- L. Risque lié aux pays **émergents** : les mouvements de marchés peuvent être plus forts et plus rapides sur ces marchés que sur les marchés développés, ce qui peut entraîner une baisse substantielle de la valeur nette d'inventaire en cas de mouvements contraires aux positions prises. La volatilité peut être induite par un risque global du marché ou être déclenchée par les vicissitudes d'un seul titre. Des risques de concentration sectorielle peuvent également prévaloir sur certains marchés émergents. Ces risques peuvent aussi être cause de volatilité accrue. Les pays émergents peuvent présenter des incertitudes politiques, sociales, légales et fiscales graves ou d'autres événements pouvant négativement impacter le Fonds qui y investit. De plus, les services locaux de dépositaire ou de sous-dépositaire restent sous-développés dans de nombreux pays non membres de l'OCDE ainsi que dans les pays émergents, et les opérations effectuées sur ces marchés sont sujets à des risques de transaction et de conservation. Dans certains cas, le fonds peut ne pas être en mesure de recouvrer tout ou partie de ses actifs ou peut s'exposer à des retards de livraison pour récupérer ses actifs.
- M. Risque de **flexibilité** : manque de flexibilité dû au portefeuille d'investissements du Fonds et / ou à des restrictions au passage à d'autres offrants, en ce compris le risque de rachat prématuré. Ce risque peut avoir pour effet d'empêcher à certains moments le Fonds d'entreprendre les actions souhaitées. Il peut être plus important pour les fonds ou les placements soumis à une réglementation restrictive.
- N. Risque **d'inflation** : le risque d'inflation est principalement dû à des variations brutales de l'offre et de la demande de biens et de produits dans l'économie, au surenchérissement du coût des matières premières ainsi qu'aux hausses salariales excessives. C'est le risque d'être remboursé dans une monnaie dépréciée, d'obtenir un taux de rentabilité inférieur au taux d'inflation. Ce risque concerne par exemple les obligations de longue durée et à revenu fixe.
- O. Risque lié à des facteurs **externes** : incertitude quant à la pérennité de certains facteurs externes de l'environnement (comme le régime fiscal ou les changements de réglementation) susceptibles d'avoir un impact sur le fonctionnement du Fonds. Le Fonds peut être assujéti à un certain nombre de risques juridiques et réglementaires, notamment des interprétations ou applications de lois contradictoires, incomplètes, peu claires et changeantes, des restrictions à l'accès du public aux règlements, des pratiques et coutumes, l'ignorance ou des infractions aux lois par des contreparties et autres participants de marché, des documents de transaction incomplets ou incorrects, l'absence d'avenants établis ou effectués de façon conforme pour obtenir réparation, la protection insuffisante des investisseurs ou l'absence d'application des lois existantes. Les difficultés à faire valoir, à protéger et à faire respecter les droits peuvent avoir un effet défavorable significatif sur le fonds et sur ses opérations. En particulier, les réglementations fiscales peuvent être modifiées régulièrement et sujettes à interprétation controversée entraînant une augmentation de la charge fiscale supportée par l'investisseur ou par le Fonds sur ses actifs, revenus, gains en capital, opérations financières ou frais payés ou reçus par les fournisseurs de services.
- P. Risque de **modèle** : le processus de gestion de certains fonds repose sur l'élaboration d'un modèle permettant d'identifier des signaux sur la base de résultats statistiques passés. Il existe un risque que le modèle ne soit pas efficient et que les stratégies mises en place entraînent une contre-performance, rien ne garantissant que les situations de marché passées se reproduisent à l'avenir.
- Q. Risque lié aux **produits dérivés** : les produits dérivés sont des instruments dont la valeur dépend (ou est dérivée) d'un ou plusieurs actifs financiers sous-jacents (actions, taux d'intérêt, obligations, devises,...). L'utilisation de dérivés comporte donc le risque lié aux sous-jacents. Ils peuvent être utilisés en vue de s'exposer ou de se couvrir sur les actifs sous-jacents. En fonction des stratégies déployées, le recours aux produits dérivés peut comporter également des risques de levier

(amplification des mouvements de baisse). En cas de stratégie de couverture, les produits dérivés peuvent, dans certaines conditions de marché, ne pas être parfaitement corrélés par rapport aux actifs à couvrir. Pour les options, à cause de fluctuation défavorable de prix des actifs sous-jacents, le Fonds pourrait perdre l'intégralité des primes payées. Les produits dérivés de gré à gré induisent en outre un risque de contrepartie (qui peut être cependant atténué par des actifs reçus en collatéral) et peuvent comporter un risque de valorisation, voire de liquidité (difficulté de vente ou de clôture de positions ouvertes).

- R. Risque lié à la **volatilité** : le Fonds peut être exposé (via des positions directionnelles ou d'arbitrage par exemple) au risque de volatilité des marchés et pourrait donc subir, en fonction de son exposition, des pertes en cas de variations du niveau de volatilité de ces marchés.
- S. Risque **d'arbitrage**: L'arbitrage est une technique consistant à profiter d'écart de cours constatés (ou anticipés) entre marchés et/ou secteurs et/ou titres et/ou devises et/ou instruments. En cas d'évolution défavorable de ces arbitrages (hausse des opérations vendeuses et/ou baisse des opérations acheteuses), la valeur nette d'inventaire pourra baisser.
- T. Risque de **contrepartie**: Le Fonds peut utiliser des produits dérivés de gré à gré et/ou recourir aux techniques de gestion efficace de portefeuille. Ces opérations peuvent engendrer un risque de contrepartie, soit des pertes encourues au titre des engagements contractés auprès d'une contrepartie défaillante
- U. Risque de **livraison** : le Fonds pourrait vouloir liquider des actifs qui font à ce moment l'objet d'une opération auprès d'une contrepartie. En pareil cas, le Fonds rappellerait ces actifs auprès de la contrepartie. Le risque de livraison est le risque que la contrepartie, bien que obligée contractuellement, ne soit pas à même, opérationnellement parlant, de restituer les actifs suffisamment vite pour que le Fonds puisse honorer la vente de ces instruments sur le marché.
- V. Risque **opérationnel** : le risque opérationnel englobe les risques de pertes directes ou indirectes liés à un certain nombre de facteurs (par exemple les erreurs humaines, les fraudes et malveillances, les défaillances de systèmes d'information et événements externes, etc.) qui pourraient avoir un impact sur le Fonds et / ou les investisseurs. La Société de Gestion et/ou ses délégués vise à réduire ce risque à travers la mise en place de contrôles et procédures.
- W. Risque **juridique** : le risque de litige de toute nature avec une contrepartie ou une tierce partie. La Société de Gestion et ou ses délégués vise à réduire ce risque à travers la mise en place de contrôles et procédures.
- X. Risque de **conflits d'intérêts** : un choix de contrepartie, orienté par d'autres motifs que le seul intérêt du Fonds, et/ou un traitement inégal dans la gestion de portefeuilles équivalents pourraient constituer les principales sources de conflits d'intérêts.
- Y. Risque lié aux **actions A chinoises**: outre le « risque lié aux pays émergents » mentionné supra, les actions A chinoises présentent également les risques spécifiques suivants :

- Risques liés aux restrictions d'entrée et de sortie et liquidité limitée :

Les actions A chinoises ne sont accessibles qu'à certains investisseurs qui soit disposent d'une licence d'investisseur institutionnel étranger qualifié pour la Chine ou le Renminbi (« Qualified Foreign Institutional Investor ») ou « Renminbi Qualified Foreign Institutional Investor ») soit utilisent un programme spécifique d'accès au marché (un système de négociation et de compensation), le Stock Connect entre les bourses de Hong Kong et Shanghai ou/et Shenzhen (« Stock Connect »). Ces conditions d'entrée restreignant les volumes échangés et les capitalisations boursières, et dès lors la liquidité des titres, elles peuvent accentuer leurs fluctuations (tant à la hausse qu'à la baisse) et sont susceptibles de faire l'objet d'évolutions réglementaires indéterminées. Des restrictions quant au rapatriement de flux

financiers vers l'étranger ne sont notamment pas exclues. Les actions A font également l'objet de restrictions en termes d'actionnariat, notamment quant à la proportion maximale d'actionnaires étrangers. Par conséquent, indépendamment de la volonté du gestionnaire:

- des augmentations de positions peuvent se révéler impossible,
- des ventes peuvent se révéler obligatoires et s'effectuer à perte,
- des ventes peuvent se révéler temporairement impossibles exposant le compartiment à des risques non attendus, voire l'empêchant dans des cas extrêmes d'honorer immédiatement les demandes de rachats d'actionnaires.

Les actionnaires pourront trouver des informations complémentaires sur le site internet suivant:

[http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm)

- Risques liés aux modalités de négociation et de conservation:

Le programme « Stock Connect », permettant l'accès au marché des actions A chinoises, ne remplit pas tous les critères standards applicables aux marchés développés en termes de modalités de négociation, de liquidation et de conservation des titres. Il est sujet à des évolutions réglementaires et opérationnelles, comme par exemple et non limitativement des restrictions de volumes ou des modifications des conditions d'éligibilité des investisseurs et/ou des titres qui y sont négociés. Les jours de cotation sont également sujet à l'ouverture de plusieurs marchés (Chine et Hong-Kong). Ces éléments peuvent se révéler des freins pour investir et surtout désinvestir rapidement sur ce segment de marché. Le fonds peut entretemps voir la valeur des titres évoluer dans un sens défavorable.

En outre, la valorisation de certains titres peut y être temporairement incertaine (notamment en cas de suspension de cotation) et le Conseil d'Administration pourrait dès lors être amené à valoriser les titres concernés sur base des informations à sa disposition.

- Risque lié au Renminbi :

Le Renminbi, aussi connu internationalement comme le Yuan chinois (RMB, CNY ou CNH) est la devise de cotation locale des actions A chinoises. Il est échangé en Chine et hors de Chine à des taux de change différents et présente un risque élevé. L'évolution de la politique de change menée par la Chine et en particulier la convertibilité entre les versions locales et internationales sont très incertaines. Des risques de dévaluation brusque à court terme ou à long terme ainsi que des écarts de cotation temporaires substantiels ne sont pas exclus.

- Incertitudes fiscales :

Les réglementations et la fiscalité relatives aux actions chinoises (en particulier les actions A chinoises) se révèlent incertaines et connaissent régulièrement des évolutions pouvant mener à une imposition des dividendes ou plus-values y compris rétroactive. La Société de Gestion peut dès lors décider de provisionner une charge fiscale, qui s'avérerait ultérieurement excédentaire ou malgré tout insuffisante. La performance du Fonds qui investit directement ou indirectement en actions chinoises (en particulier les actions A chinoises) peut être affectée, y compris négativement, par le prélèvement effectif et le cas échéant la provision appliquée

#### Indicateur synthétique de risque et de rendement :

L'indicateur de risque et de rendement rend compte du positionnement du fonds en matière de risque et de rendement. Cet indicateur est calculé conformément aux dispositions du Règlement 583/2010 et est disponible, dans sa version la plus récente, dans les informations clés pour l'investisseur. Il classe le fonds sur une échelle allant de 1 à 7 et reflète la volatilité de l'historique du fonds, éventuellement complétée de celle de son cadre de référence. La volatilité indique dans quelle ampleur la valeur du fonds peut fluctuer à la hausse comme à la baisse.

Plus le fonds est situé haut sur l'échelle, plus le rendement possible est élevé, mais plus le risque de perte est important également. Le chiffre le plus bas ne signifie pas que le fonds ne présente aucun risque, mais que comparé à des chiffres plus élevés, ce produit offre en principe un rendement plus faible mais aussi plus prévisible.

L'indicateur peut être calculé à l'aide de données de performance historiques simulées, qui ne constituent pas nécessairement un indicateur fiable du profil de risque et de rendement futur du fonds. En conséquence, le degré de risque pourra évoluer dans le temps.

# Informations concernant les parts et leur négociation

Compartiment	Classe	Type	Devise de la Part	Devise du Fonds	Code ISIN	Prix de souscription initial	Période/Jour initial de souscription	Date de paiement du prix de souscription initial	Montant minimum initial
Belgium	C	Cap.	EUR	EUR	BE0942851115	619.73 (i)	du 10/04/1998 au 29/04/1998	30/04/1998	-
Belgium	C	Dis.	EUR	EUR	BE0948876223	619.73 (i)	du 10/04/1998 au 29/04/1998	30/04/1998	-
Belgium	L	Cap.	EUR	EUR	BE6214501023	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Belgium	R2	Cap	EUR	EUR	BE6286704372	150	01/09/2016 (avant 12h)	06/09/2016	-
Belgium	R2	Dis	EUR	EUR	BE6286705387	150	01/09/2016 (avant 12h)	06/09/2016	-
Belgium	Z	Cap	EUR	EUR	BE6286707409	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Belgium	Z	Dis	EUR	EUR	BE6286710437	1.500	01/09/2016 (avant 12h)	06/09/2016	-
China	C	Cap.	EUR	EUR	BE0945530716	(iv)	Apport d'actifs en date du 16/12/2005	-	-
China	C	Dis.	EUR	EUR	BE0945529700	(iv)	Apport d'actifs en date du 16/12/2005	-	-
China	L	Cap.	EUR	EUR	BE6214513143	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription (iv)	14/02/2011	-	-
China	R	Cap.	EUR	EUR	BE6253612228	100	16/08/2013	-	-
China	R2	Cap	EUR	EUR	BE6286719529	150	01/09/2016 (avant 12h)	06/09/2016	-
China	R2	Dis	EUR	EUR	BE6286720535	150	01/09/2016 (avant 12h)	06/09/2016	-
China	Z	Cap	EUR	EUR	BE6286721541	1.500	01/09/2016 (avant 12h)	06/09/2016	-
China	Z	Dis	EUR	EUR	BE6286722556	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Europe Conviction	C	Cap.	EUR	EUR	BE0945524651	-	Apport d'actifs en date du 15/12/2005	-	-
Europe Conviction	C	Dis.	EUR	EUR	BE0945523646	-	Apport d'actifs en date du 15/12/2005	-	-
Europe Conviction	L	Cap.	EUR	EUR	BE6214504050	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Europe Conviction	R2	Cap	EUR	EUR	BE6286728611	150	01/09/2016 (avant 12h)	06/09/2016	-
Europe Conviction	R2	Dis	EUR	EUR	BE6286731649	150	01/09/2016 (avant 12h)	06/09/2016	-
Europe Conviction	Z	Cap	EUR	EUR	BE6286734676	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Europe Conviction	Z	Dis	EUR	EUR	BE6286736697	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Europe Small & Mid Caps	C	Cap.	EUR	EUR	BE0948878245	619,79 (ii)	du 18/08/1998 au 10/09/1998	11/09/1998	-
Europe Small & Mid Caps	C	Dis.	EUR	EUR	BE0948877239	619,79 (ii)	du 18/08/1998 au 10/09/1998	11/09/1998	-
Europe Small & Mid Caps	I	Cap.	EUR	EUR	BE6253613234 (v)	1.000	16/08/2013	-	250.000
Europe Small & Mid Caps	R2	Cap	EUR	EUR	BE6286737703	150	01/09/2016 (avant 12h)	06/09/2016	-
Europe Small & Mid Caps	R2	Dis	EUR	EUR	BE6286738719	150	01/09/2016 (avant 12h)	06/09/2016	-



Europe Small & Mid Caps	Z	Cap	EUR	EUR	BE6286739725	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Europe Small & Mid Caps	Z	Dis	EUR	EUR	BE6286740731	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Energy	C	Cap.	EUR	EUR	BE0170908918	500	du 29/04/1999 au 26/05/1999	27/05/1999	-
Global Energy	C	Dis.	EUR	EUR	BE0170909924	500	du 29/04/1999 au 26/05/1999	27/05/1999	-
Global Energy	L	Cap.	EUR	EUR	BE6214505065	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Global Energy	R2	Cap	EUR	EUR	BE6286741747	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Energy	R2	Dis	EUR	EUR	BE6286742752	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Energy	Z	Cap	EUR	EUR	BE6286743768	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Energy	Z	Dis	EUR	EUR	BE6286744774	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Finance	C	Cap.	EUR	EUR	BE0174812181	500	du 11/09/2000 au 28/09/2000	29/09/2000	-
Global Finance	C	Dis.	EUR	EUR	BE0174811175	500	du 11/09/2000 au 28/09/2000	29/09/2000	-
Global Finance	L	Cap.	EUR	EUR	BE6214506071	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Global Finance	R2	Cap	EUR	EUR	BE6286745789	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Finance	R2	Dis	EUR	EUR	BE6286746795	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Finance	Z	Cap	EUR	EUR	BE6286747801	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Finance	Z	Dis	EUR	EUR	BE6286748817	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Health Care	C	Cap.	USD	USD	BE0163900674	1.000	du 16/05/1997 au 30/05/1997	04/06/1997	-
Global Health Care	C	Dis.	USD	USD	BE0163901680	1.000	du 16/05/1997 au 30/05/1997	04/06/1997	-
Global Health Care	L	Cap.	USD	USD	BE6214512137	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Global Health Care	I	Cap.	USD	USD	BE6253615254	1.000	16/08/2013	-	250.000
Global Health Care	R2	Cap	USD	USD	BE6286749823	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Health Care	R2	Dis	USD	USD	BE6286750839	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Health Care	Z	Cap	USD	USD	BE6286751845	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Health Care	Z	Dis	USD	USD	BE6286752850	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Industrials	C	Cap.	EUR	EUR	BE0174814203	500	du 11/09/2000 au 28/09/2000	29/09/2000	-
Global Industrials	C	Dis.	EUR	EUR	BE0174813197	500	du 11/09/2000 au 28/09/2000	29/09/2000	-
Global Industrials	L	Cap.	EUR	EUR	BE6214507087	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Global Industrials	R2	Cap	EUR	EUR	BE6286753866	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Industrials	R2	Dis	EUR	EUR	BE6286754872	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Industrials	Z	Cap	EUR	EUR	BE6286755887	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Industrials	Z	Dis	EUR	EUR	BE6286756893	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Property Funds	C	Cap.	EUR	EUR	BE0940608962	500	du 24/03/2003 au 02/05/2003	06/05/2003	-
Global Property Funds	C	Dis.	EUR	EUR	BE0940607956	500	du 24/03/2003 au 02/05/2003	06/05/2003	-

Global Property Funds	L	Cap.	EUR	EUR	BE6214508093	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Global Property Funds	I	Cap.	EUR	EUR	BE0947797107	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	01/01/2008	-	250.000
Global Property Funds	R2	Cap	EUR	EUR	BE6286757909	150	01/09/2016 (avant 12h)	07/09/2016	-
Global Property Funds	R2	Dis	EUR	EUR	BE6286763964	150	01/09/2016 (avant 12h)	07/09/2016	-
Robotics & Innovative Technology	C	Cap.	USD	USD	BE0176735018	1.000 (iii)	du 16/05/1997 au 30/05/1997	04/06/1997	-
Robotics & Innovative Technology	C	Cap.	EUR	EUR	BE6291640264	150	02/01/2017	05/01/2017	-
Robotics & Innovative Technology	C	Dis.	USD	USD	BE0176734979	1.000 (iii)	du 16/05/1997 au 30/05/1997	04/06/1997	-
Robotics & Innovative Technology	L	Cap.	USD	USD	BE6214514158	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Robotics & Innovative Technology	I	Cap.	USD	USD	BE6253617276	1.000	16/08/2013	-	250.000
Robotics & Innovative Technology	R2	Cap	USD	USD	BE6286764970	150	01/09/2016 (avant 12h)	06/09/2016	-
Robotics & Innovative Technology	R2	Dis	USD	USD	BE6286765019	150	01/09/2016 (avant 12h)	06/09/2016	-
Robotics & Innovative Technology	Z	Cap	USD	USD	BE6286767031	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Robotics & Innovative Technology	Z	Dis	USD	USD	BE6286768047	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Telecom	C	Cap.	EUR	EUR	BE0172846892	500	du 10/01/2000 au 03/02/2000	04/02/2000	-
Global Telecom	C	Dis.	EUR	EUR	BE0172847908	500	du 10/01/2000 au 03/02/2000	04/02/2000	-
Global Telecom	L	Cap.	EUR	EUR	BE6214515163	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Global Telecom	R2	Cap	EUR	EUR	BE6286769052	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Telecom	R2	Dis	EUR	EUR	BE6286770068	150	01/09/2016 (avant 12h)	06/09/2016	-
Global Telecom	Z	Cap	EUR	EUR	BE6286772080	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Global Telecom	Z	Dis	EUR	EUR	BE6286774102	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Leading Brands	C	Cap.	EUR	EUR	BE0170209713	500	du 01/02/1999 au 25/02/1999	26/02/1999	-
Leading Brands	C	Dis.	EUR	EUR	BE0170210729	500	du 01/02/1999 au 25/02/1999	26/02/1999	-
Leading Brands	L	Cap.	EUR	EUR	BE6214509109	Prix de la part C Cap. le jour de la 1 <sup>ère</sup> souscription	14/02/2011	-	-
Leading Brands	R2	Cap	EUR	EUR	BE6286775117	150	01/09/2016 (avant 12h)	06/09/2016	-
Leading Brands	R2	Dis	EUR	EUR	BE6286777139	150	01/09/2016 (avant 12h)	06/09/2016	-
Leading Brands	Z	Cap	EUR	EUR	BE6286778145	1.500	01/09/2016 (avant 12h)	06/09/2016	-
Leading Brands	Z	Dis	EUR	EUR	BE6286780166	1.500	01/09/2016 (avant 12h)	06/09/2016	-

- (i) Division de la valeur par 2 à la date du 23/03/2004 suite à la fusion du compartiment avec le compartiment Euronext 100 et division de la valeur des actions de distribution par 2 à la date du 20/10/2009 suite à la fusion du compartiment avec le compartiment Belg-Index
- (ii) Division de la valeur des actions par 3 à la date du 20/10/2009 suite à la fusion du compartiment avec le compartiment EMU Small Caps

- (iii) Division de la valeur des actions par 10 à la date du 15/06/2001
- (iv) Division de la valeur des actions par 100 à la date du 11/04/2018
- (v) Les souscriptions et les conversions vers cette classe ne sont plus acceptées à partir du 11/06/2018

#### Forme des parts

Les parts sont nominatives ou dématérialisées, à l'exception des parts de la classe LOCK qui ne peuvent être émises que sous la forme dématérialisée.

#### Calcul de la valeur nette d'inventaire, modalités de souscription des parts, de rachat des parts et de conversion entre types de parts

Pour les compartiments Belgium, China, Europe Small & Mid Caps, Europe, Global Finance, Global Industrials, Global Energy, Global Health Care, Robotics & Innovative Technology, Global Telecom, Leading Brands:

J	=	Date de clôture de la réception des ordres (chaque jour bancaire ouvrable en Belgique à 12h00) et date de la valeur nette d'inventaire publiée. L'heure de clôture de la réception des ordres reprise ici ne vaut que pour les institutions assurant le service financier et les distributeurs repris dans le prospectus. Pour ce qui est des autres distributeurs, l'investisseur est prié de s'informer de l'heure de clôture de la réception des ordres qu'ils pratiquent.
J + 1	=	Date de calcul de la valeur nette d'inventaire (date V.N.I. = J)
J + 3	=	Date de paiement ou de remboursement des demandes

Pour le compartiment Global Property Funds :

J (16h)	=	- Date de clôture de la réception des ordres, soit : <ul style="list-style-type: none"> <li>• chaque jour bancaire ouvrable en Belgique à 16h00</li> <li>• à condition que J+1 soit également un jour bancaire ouvrable à Luxembourg</li> </ul> Sinon, le premier jour suivant où les conditions sont remplies. <ul style="list-style-type: none"> <li>- date de la valeur nette d'inventaire publiée (VNI).</li> </ul> L'heure de clôture de la réception des ordres reprise ici ne vaut que pour l'institution assurant le service financier et les distributeurs repris dans le prospectus. Pour ce qui est des autres distributeurs, l'investisseur est prié de s'informer de l'heure de clôture de la réception des ordres qu'ils pratiquent.
J + 1	=	Date d'acquisition des OPC sous-jacents
J + 2	=	Date de calcul de la valeur nette d'inventaire des OPC sous-jacents (VNI datées J+1).
J + 3	=	Date de calcul de la valeur nette d'inventaire (date VNI = J) sur base des cours des OPC sous-jacents (VNI datées J+1, calculées en J+2)
J + 4	=	Date de paiement ou de remboursement des demandes

#### Modalités de rachats des parts en cas de déclenchement automatique de l'ordre de vente de la classe LOCK

Pour les compartiments Belgium, China, Europe, Global Finance, Global Industrials, Global Energy, Global Health Care, Robotics & Innovative Technology, Global Telecom, Leading Brands:

J	=	Date de la valeur nette d'inventaire qui déclenche un ordre de vente automatique (chaque jour bancaire ouvrable en Belgique)
J + 1	=	Date de calcul de la valeur nette d'inventaire qui déclenche un ordre de vente automatique (date V.N.I. = J)
J + 2	=	Date de clôture de la réception des ordres de vente automatique (chaque jour bancaire ouvrable en Belgique à 12h00) et date de l'ordre de vente automatique
J + 3	=	Date de calcul de la valeur nette d'inventaire appliquée à l'ordre de vente automatique (date V.N.I. = J + 2)
J + 5	=	Date de remboursement des parts

Pour le compartiment Global Property Funds:

J	=	Date de la valeur nette d'inventaire qui déclenche un ordre de vente automatique
J + 3	=	Date de calcul de la valeur nette d'inventaire (date VNI = J) sur base des cours des OPC sous-jacents (VNI datées J+1, calculées en J+2) qui déclenche un ordre de vente automatique
J + 4	=	Date de clôture de la réception des ordres de vente automatique (chaque jour bancaire ouvrable en Belgique à 16h00) et date de l'ordre de vente automatique
J + 7	=	Date de calcul de la valeur nette d'inventaire (date VNI = J+4) sur base des cours des OPC sous-jacents (VNI datées J+5, calculées en J+6) appliquée à l'ordre de vente automatique
J + 8	=	Date de remboursement des parts

#### Publication de la valeur nette d'inventaire:

La valeur nette d'inventaire est publiée sur le site internet de BeAMA ([www.beama.be/vni](http://www.beama.be/vni)) et est également disponible aux guichets de l'institution assurant le service financier.

## Commissions et frais

#### Commissions et frais récurrents supportés par le Fonds (en EUR ou en pourcentage de la valeur nette d'inventaire des actifs) :

- A. Rémunération de la gestion du portefeuille d'investissement
- B. Commission de performance
- C. Rémunération de l'administration
- D. Frais liés au mécanisme Lock
- E. Rémunération de la commercialisation
- F. Rémunération du service financier
- G. Rémunération du dépositaire
- H. Taxe annuelle



- I. Rémunération du commissaire (HTVA)  
 J. Rémunération des personnes physique chargées de la direction effective  
 K. Autres frais (estimation) y compris la rémunération du commissaire, des administrateurs et des personnes physiques chargées de la direction effective

Compartiment	Classe	A (i)	B	C (i)	D	E (i)	F	G (i)	H (ii)	I (iii)	J	K (iii)
Belgium	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Belgium	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Belgium	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Belgium	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
China	C	Max. 1,60%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
China	L	Max. 1,60%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
China	R	Max. 1,00	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
China	R2	Max. 0,32%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
China	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%	-	0,10%	
Europe Conviction	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Europe Conviction	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Europe Conviction	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Europe Conviction	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Europe Small & Mid Caps	C	Max. 1,60%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Europe Small & Mid Caps	I	Max. 1,00%	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Europe Small & Mid Caps	R2	Max. 0,32%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Europe Small & Mid Caps	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Global Energy	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Global Energy	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Energy	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Energy	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Global Finance	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Global Finance	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Finance	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Finance	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Global Health Care	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Global Health Care	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Health Care	I	Max. 0,55%	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Global Health Care	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Health Care	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Global Industrials	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Global Industrials	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Industrials	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Industrials	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Global Property Funds	C	Max. 1,00%	-	Max. 0,115%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Global Property Funds	L	Max. 1,00%	-	Max. 0,115%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Property Funds	I	Max. 0,50%	-	Max. 0,07%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Global Property Funds	R2	Max. 0,20%	-	Max. 0,115%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Robotics & Innovative Technology	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Robotics & Innovative Technology	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Robotics & Innovative Technology	I	Max. 0,55%	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Robotics & Innovative Technology	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Robotics & Innovative Technology	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Global Telecom	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Global Telecom	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Telecom	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Global Telecom	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%
Leading Brands	C	Max. 1,50%	-	Max. 0,12%	-	-	-	Max. 0,06%	0,0925%	3.600	-	0,10%
Leading Brands	L	Max. 1,50%	-	Max. 0,12%	Max. 0,10%	-	-	Max. 0,06%	0,0925%		-	0,10%
Leading Brands	R2	Max. 0,30%	-	Max.0,12%	-	-	-	Max. 0,06%	0,0925%		-	0,10%
Leading Brands	Z	-	-	Max. 0,08%	-	-	-	Max. 0,04%	0,01%		-	0,10%

(i) Par an de l'actif net moyen, calculée et payable mensuellement.

- (ii) Des montants nets placés en Belgique au 31 décembre de l'année précédente. Les montants qui ont déjà été compris dans la base imposable des fonds sous-jacents (le cas échéant) ne sont pas repris dans la base imposable du Fonds.
- (iii) Par an.

Les fonds sous-jacents supportent le cas échéant eux-mêmes des commissions et frais qui leurs sont propres.

**Commissions et frais récurrents supportés par le Fonds (en EUR ou en pourcentage de la valeur nette d'inventaire des actifs):**

Rémunération des administrateurs: Le mandat des administrateurs est gratuit à l'exception de celui de l'administrateur indépendant, rémunéré à concurrence de EUR 3.000 par an.

**Commissions et frais non récurrents supportés par l'investisseur (en EUR ou en pourcentage de la valeur nette d'inventaire par part) :**

- A. Commission de commercialisation  
*A-1 : à l'entrée*  
*A-2 : à la sortie*  
*A-3 : à la conversion*
- B. Frais administratifs  
*B-1 : à l'entrée*  
*B-2 : à la sortie*  
*B-3 : à la conversion*
- C. Montant destiné à couvrir les frais d'acquisition des actifs  
D. Montant destiné à couvrir les frais de réalisation des actifs  
E. Montant destiné à décourager toute sortie dans le mois qui suit l'entrée

Compartiment	Classe	A			B			C	D	E
		A-1	A-2	A-3 (i)	B-1	B-2	B-3 (i)			
Belgium	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Belgium	, Z	0%	-	(ii)	-	-	(ii)	-	-	-
China	C, L, R, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
China	Z	0%	-	(ii)	-	-	(ii)	-	-	-
Europe Conviction	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Europe Conviction	Z	0%	-	(ii)	-	-	(ii)	-	-	-
Europe Small & Mid Caps	C, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Europe Small & Mid Caps	I, Z	0%	-	(ii)	-	-	(ii)	-	-	-
Global Energy	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Global Energy	Z	0%	-	(ii)	-	-	(ii)	-	-	-
Global Finance	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Global Finance	Z	0%	-	(ii)	-	-	(ii)	-	-	-
Global Health Care	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Global Health Care	I, Z	0%	-	(ii)	-	-	(ii)	-	-	-
Global Industrials	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Global Industrials	Z	0%	-	(ii)	-	-	(ii)	-	-	-
Global Property Funds	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Global Property Funds	I	0%	-	(ii)	-	-	(ii)	-	-	-
Robotics & Innovative Technology	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Robotics & Innovative Technology	I, Z	0%	-	(ii)	-	-	(ii)	-	-	-
Global Telecom	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Global Telecom	Z	0%	-	(ii)	-	-	(ii)	-	-	-
Leading Brands	C, L, R2	Max. 2,50% (iii)	-	(ii)	-	-	(ii)	-	-	-
Leading Brands	Z	0%	-	(ii)	-	-	(ii)	-	-	-

- (i) Changement de compartiment/classe d'actions/type de parts. Sauf taxes éventuelles, aucun frais ne sera prélevé en cas de conversion d'une classe Lock vers une classe C.
- (ii) En cas de conversion d'un compartiment du fonds vers un autre compartiment du fonds, des frais de conversion (entre autre une commission de commercialisation) pourront être imputés. Par ailleurs, dans le cadre de la conversion, les institutions assurant le service financier auront la faculté de prélever un montant par opération en couverture de ces frais administratifs. Les institutions assurant le service financier tiendront à la disposition des participants leur grille tarifaire.
- (iii) Ce taux correspond au tarif le plus élevé pratiqué par l'ensemble des distributeurs belges et européens. Les institutions assurant le service financier tiendront à la disposition des actionnaires leur grille tarifaire.

**Taxe sur les Opérations Boursières supportée par l'investisseur (TOB) :**

1,32% (max. 4.000 EUR) en cas de vente ou de conversion des actions de capitalisation (Cap. => Cap./Dis.).

# Belfius Equities Belgium

Date de constitution: 31/03/1998

Durée d'existence: Durée illimitée

## Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution du marché boursier belge au travers de titres de sociétés sélectionnées par le gestionnaire sur base de leur rentabilité attendue.

## Politique de placement du compartiment:

### ▪ Catégories d'actifs autorisés:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, accessoirement, les actifs du compartiment pourront également être placés en instruments du marché monétaire, dépôts et/ou liquidités. Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

### ▪ Stratégie particulière:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés ayant leur siège en Belgique, ou exerçant leur activité économique prépondérante en Belgique.

Les actifs pourront également être investis accessoirement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés n'ayant pas leur siège en Belgique, ou n'y exerçant pas leur activité économique prépondérante mais y employant minimum 500 personnes.

### ▪ Opérations sur instruments financiers dérivés autorisées:

Les compartiments pourront avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...).** En cas d'utilisation d'effet de levier, le risque global qui découlerait des seules positions sur instruments dérivés, ne pourra excéder 100 % de la valeur nette des actifs. L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.

### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le gestionnaire ne conservera pas d'exposition en devises.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

### ▪ Aspects sociaux, éthiques et environnementaux:

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

▪ Un compartiment ne peut investir plus de 10% de ses actifs dans des OPCVM ou autres OPC de type ouvert. Le compartiment peut investir

dans des parts d'un autre fonds en valeurs mobilières ou d'un autre fonds géré directement ou indirectement par la Société de gestion ou par une société à laquelle la Société de gestion est liée dans le cadre d'une communauté de gestion ou de contrôle ou par une participation directe ou indirecte de plus de 10 % du capital ou des voix. Aucune commission d'émission ou de rachat des fonds cible ni aucune commission de gestion ne peut être débitée des actifs de la SICAV, dans la mesure de tels placements.

▪ **Le compartiment ne peut que contracter des emprunts conformément à la réglementation en vigueur. Les emprunts à court terme ne dépasseront pas 10% de ses actifs nets..**

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

## Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

## Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peut-être plus ou moins élevé, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>concentration</b>	3
Risque de <b>performance</b>	3
Risque de <b>liquidité</b>	2
Risque de <b>contrepartie</b>	2
Risque lié aux <b>produits dérivés</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénouement</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

## Profil de risque de l'investisseur-type:

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

**Horizon d'investissement:**

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.

# Belfius Equities China

**Dénomination:** China (anciennement Red Chips)

**Date de constitution:** 14/12/2005

**Durée d'existence:** Durée illimitée

## Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution des marchés d'actions chinois, au travers de titres de sociétés sélectionnées par le gestionnaire sur base de leur rentabilité attendue.

## Politique de placement du compartiment:

### ▪ Catégories d'actifs autorisés:

**Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions** telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, accessoirement, les actifs du compartiment pourront également être placés en obligations convertibles, instruments du marché monétaire, dépôts et/ou liquidités.

Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

### ▪ Stratégie particulière:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés ayant leur siège et/ou leur activité économique prépondérante en Chine.

Le gestionnaire pourra également investir une partie des actifs du compartiment en obligations et/ou en instruments du marché monétaire de ce pays sans que la proportion du fonds investie en actions et/ou valeurs mobilières assimilables ne soit inférieure à 50%.

### ▪ Opérations sur instruments financiers dérivés autorisées:

Les compartiments pourront avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...).** En cas d'utilisation d'effet de levier, le risque global qui découlerait des seules positions sur instruments dérivés, ne pourra excéder 100 % de la valeur nette des actifs. L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.

### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

### ▪ Aspects sociaux, éthiques et environnementaux:

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

- Un compartiment ne peut investir plus de 10% de ses actifs dans des OPCVM ou autres OPC de type ouvert. Le compartiment peut investir dans des parts d'un autre fonds en valeurs mobilières ou d'un autre fonds géré directement ou indirectement par la Société de Gestion ou par une société à laquelle la Société de Gestion est liée dans le cadre d'une communauté de gestion ou de contrôle ou par une participation directe ou indirecte de plus de 10 % du capital ou des voix. Aucune commission d'émission ou de rachat des fonds cible ni aucune commission de gestion ne peut être débitée des actifs de la SICAV, dans la mesure de tels placements.

**Le compartiment ne peut que contracter des emprunts conformément à la réglementation en vigueur. Les emprunts à court terme ne dépasseront pas 10% de ses actifs nets.**

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

## Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation.

Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

## Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevés, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque lié aux <b>pays émergents</b>	3
Risque lié aux <b>actions A chinoises</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>liquidité</b>	2
Risque de <b>concentration</b>	2
Risque de <b>dénouement</b>	2
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>flexibilité</b>	1
Risque de <b>contrepartie</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

**Profil de risque de l'investisseur-type:**

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions et plus spécifiquement à celui des pays dits « émergents » (et plus précisément celui de la Chine), qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

**Horizon d'investissement:**

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.



# Belfius Equities Europe Small & Mid Caps

**Dénomination :** Europe Small & Mid Caps (anciennement Europe Small Caps)

**Date de constitution:** 04/08/1998

**Durée d'existence:** Durée illimitée

## Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution du marché des actions européennes de petite et moyenne capitalisation boursière, au travers de titres de sociétés sélectionnées par le gestionnaire sur base de leur rentabilité attendue.

## Politique de placement du compartiment:

### ▪ Catégories d'actifs autorisés:

**Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions** telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, accessoirement, les actifs du compartiment pourront également être placés en obligations convertibles, instruments du marché monétaire, dépôts et/ou liquidités.

Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

### ▪ Stratégie particulière:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés ayant leur siège en Europe et/ou des sociétés exerçant leur activité économique prépondérante en Europe se caractérisant par une taille relativement réduite. Le caractère européen fait ici référence aux Etats membres de l'Union Européenne, à la Suisse et à la Norvège.

### ▪ Opérations sur instruments financiers dérivés autorisées:

Les compartiments pourront avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...).** En cas d'utilisation d'effet de levier, le risque global qui découlerait des seules positions sur instruments dérivés, ne pourra excéder 100 % de la valeur nette des actifs. L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.

### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours et ce, d'autant plus que les valeurs de faibles capitalisations se caractérisent par une volatilité supérieure à la moyenne du marché.**

### ▪ Aspects sociaux, éthiques et environnementaux:

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

▪ Un compartiment ne peut investir plus de 10% de ses actifs dans des OPCVM ou autres OPC de type ouvert. Le compartiment peut investir dans des parts d'un autre fonds en valeurs mobilières ou d'un autre fonds géré directement ou indirectement par la Société de Gestion ou par une société à laquelle la Société de Gestion est liée dans le cadre d'une communauté de gestion ou de contrôle ou par une participation directe ou indirecte de plus de 10 % du capital ou des voix. Aucune commission d'émission ou de rachat des fonds cible ni aucune commission de gestion ne peut être débitée des actifs de la SICAV, dans la mesure de tels placements.

▪ **Le compartiment ne peut que contracter des emprunts conformément à la réglementation en vigueur. Les emprunts à court terme ne dépasseront pas 10% de ses actifs nets.**

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

## Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation.

Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

## Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevés, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>liquidité</b>	2
Risque de <b>concentration</b>	2
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénouement</b>	1
Risque de <b>contrepartie</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

**Profil de risque de l'investisseur-type:**

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions et spécifiquement d'actions « small & mid caps », qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

**Horizon d'investissement:**

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.



# Belfius Equities Europe Conviction

**Date de constitution:** 14/12/2005

**Durée d'existence:** Durée illimitée

## Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution des marchés d'actions européens et ce, au travers de titres de sociétés sélectionnées par le gestionnaire sur base de leur rentabilité attendue.

## Politique de placement du compartiment:

### ▪ Catégories d'actifs autorisés:

**Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions** telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, à titre accessoire, les actifs du compartiment pourront également être placés en instruments du marché monétaire, dépôts et/ou liquidités. Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

### ▪ Stratégie particulière:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés ayant leur siège ou leur activité économique prépondérante en Europe. Le caractère européen fait ici référence aux Etats membres de l'Union Européenne, à la Suisse et à la Norvège.

La gestion de ce compartiment s'appuie sur une sélection rigoureuse d'un nombre limité d'actions émises par des sociétés de toutes capitalisations et offrant une bonne qualité des fondamentaux, une révision à la hausse des perspectives bénéficiaires et une faible valorisation.

### ▪ Opérations sur instruments financiers dérivés autorisées:

Le compartiment pourra également avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...).** L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.

### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

### ▪ Aspects sociaux, éthiques et environnementaux:

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium.

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération de

Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

## Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

## Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevé, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>concentration</b>	2
Risque de <b>contrepartie</b>	2
Risque de <b>liquidité</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénouement</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

## Profil de risque de l'investisseur-type:

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur..

## Horizon d'investissement:

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.

# Belfius Equities Global Finance

**Date de constitution:** 8/08/2000

**Durée d'existence:** Durée illimitée

**Objectifs du compartiment:**

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution du marché des actions de sociétés actives dans le secteur de la finance.

**Politique de placement du compartiment:**

▪ **Catégories d'actifs autorisés:**

**Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions** telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, à titre accessoire, les actifs du compartiment pourront également être placés en instruments du marché monétaire, dépôts et/ou liquidités. Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

▪ **Stratégie particulière:**

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés actives dans le secteur de la finance. Le secteur financier recouvre, entre autres, les valeurs des secteurs bancaire, de l'assurance, des services financiers, de l'immobilier, etc.

Toutes les régions du monde pourront être représentées.

Le portefeuille est construit via un investissement dans les sociétés considérées comme les plus attractives en fonction d'une sélection de facteurs d'analyse bien connus (Valorisation, Qualité, Taille, Tendance et Volatilité par exemple). Cette méthodologie appliquée de manière systématique génère une performance qui peut être proche ou s'écarter sensiblement à la hausse comme à la baisse de la performance d'une méthodologie basée uniquement sur la pondération en fonction des capitalisations boursières.

▪ **Opérations sur instruments financiers dérivés autorisées:**

Le compartiment pourra également avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...). L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.**

▪ **Description de la stratégie générale visant à couvrir le risque de change:**

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

▪ **Aspects sociaux, éthiques et environnementaux:**

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

**Calcul du risque global**

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation.

Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

**Risques spécifiques :**

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevé, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>concentration</b>	2
Risque de <b>modèle</b>	1
Risque de <b>liquidité</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénouement</b>	1
Risque de <b>contrepartie</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

**Profil de risque de l'investisseur-type:**

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

**Horizon d'investissement:**

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.

# Belfius Equities Global Industrials

Date de constitution: 08/08/2000

Durée d'existence: Durée illimitée

## Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution du marché des actions de sociétés actives dans le secteur industriel.

## Politique de placement du compartiment:

### ▪ Catégories d'actifs autorisés:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, à titre accessoire, les actifs du compartiment pourront également être placés en instruments du marché monétaire, dépôts et/ou liquidités. Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

### ▪ Stratégie particulière:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés ayant actives dans le secteur industriel. Le secteur industriel recouvre des sociétés à l'activité fort variée, allant des machines industrielles au transport aérien, maritime et terrestre, en passant par les biens de constructions ou les services aux entreprises telles que le travail intérimaire.

Toutes les régions du monde pourront être représentées.

Le portefeuille est construit via un investissement dans les sociétés considérées comme les plus attractives en fonction d'une sélection de facteurs d'analyse bien connus (Valorisation, Qualité, Taille, Tendance et Volatilité par exemple). Cette méthodologie appliquée de manière systématique génère une performance qui peut être proche ou s'écarter sensiblement à la hausse comme à la baisse de la performance d'une méthodologie basée uniquement sur la pondération en fonction des capitalisations boursières.

### ▪ Opérations sur instruments financiers dérivés autorisées:

Le compartiment pourra également avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...).** L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.

### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

### ▪ Aspects sociaux, éthiques et environnementaux:

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de

mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération et de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

## Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

## Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevés, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>concentration</b>	2
Risque de <b>modèle</b>	1
Risque de <b>liquidité</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénouement</b>	1
Risque de <b>contrepartie</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

## Profil de risque de l'investisseur-type:

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

## Horizon d'investissement:

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.



# Belfius Equities Global Property Funds

**Dénomination:** Global Property Funds (anciennement European Property Securities)

**Date de constitution:** 06/03/2003

**Durée d'existence:** Durée illimitée

## Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution du marché des actions de sociétés actives dans le secteur immobilier au travers d'un portefeuille principalement composé d'organismes de placement collectif (OPC) sélectionnés sur la base de l'expertise des gestionnaires sur la classe d'actifs concernée.

## Politique de placement du compartiment:

### ■ Catégories d'actifs autorisés:

**Les actifs de ce compartiment seront investis principalement en parts d'OPC.**

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, accessoirement, les actifs du compartiment pourront également être placés en actions, obligations convertibles, instruments du marché monétaire, dépôts et/ou liquidités.

### ■ Stratégie particulière:

Les actifs de ce compartiment seront investis principalement en parts d'OPC belges et/ou étrangers investissant eux-mêmes essentiellement en actions et/ou valeurs mobilières assimilables aux actions émises par des sociétés immobilières. Les sociétés immobilières sont essentiellement des sociétés dont une part importante du chiffre d'affaire dérive d'activités d'investissement, de développement, de maintenance sur le marché immobilier de bureau, résidentiel, commercial et/ou industriel.

Tant les OPC détenus que les instruments financiers qui les composent pourront être libellés en toutes devises et feront ou non l'objet d'une couverture du risque de change, en fonction des attentes du gestionnaire quant à l'évolution des marchés. Les instruments financiers de ces OPC pourront être émis par des émetteurs des différentes régions du monde, en ce compris les pays émergents.

### ■ Opérations sur instruments financiers dérivés autorisées:

Les compartiments pourront avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options et des futures (sur divers sous-jacents comme actions, indices, devises, ...), des swaps (exemples : de volatilité, ...) et des opérations de change et ce, tant dans un but d'investissement que dans un but de couverture. L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.

### ■ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

■ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs d'activités plus restreints.

■ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. Il peut en résulter une volatilité élevée de son cours.

### ■ Aspects sociaux, éthiques et environnementaux:

La sélection des OPC n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des OPC investissant eux-mêmes dans des titres d'une

société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération et de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

## Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

## Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevé, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque de <b>concentration</b>	2
Risque lié aux <b>produits dérivés</b>	1
Risque de <b>liquidité</b>	1
Risque lié aux <b>pays émergents</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque lié à l' <b>inflation</b>	1
Risque de <b>dénouement</b>	1
Risque de <b>contrepartie</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

## Profil de risque de l'investisseur-type:

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions du secteur immobilier, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

## Horizon d'investissement:

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.



# Belfius Equities Global Energy

**Dénomination:** Global Energy (anciennement European Energy)

**Date de constitution:** 19/04/1999

**Durée d'existence:** Durée illimitée

**Objectifs du compartiment:**

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution du marché des actions de sociétés actives dans les secteurs de l'énergie.

**Politique de placement du compartiment:**

▪ **Catégories d'actifs autorisés:**

**Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions** telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, à titre accessoire, les actifs du compartiment pourront également être placés en instruments du marché monétaire, dépôts et/ou liquidités. Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

▪ **Stratégie particulière:**

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés actives dans les secteurs de l'énergie. Toutes les régions du monde pourront être représentées. Les secteurs de l'énergie recouvrent entre autres, et de façon non limitative, les sociétés actives dans l'exploration, la production, la commercialisation, le transport de sources énergétiques, etc.

Le portefeuille est construit via un investissement dans les sociétés considérées comme les plus attractives en fonction d'une sélection de facteurs d'analyse bien connus (Valorisation, Qualité, Taille, Tendance et Volatilité par exemple). Cette méthodologie appliquée de manière systématique génère une performance qui peut être proche ou s'écarter sensiblement à la hausse comme à la baisse de la performance d'une méthodologie basée uniquement sur la pondération en fonction des capitalisations boursières.

▪ **Opérations sur instruments financiers dérivés autorisées:**

Le compartiment pourra également avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...). L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.**

▪ **Description de la stratégie générale visant à couvrir le risque de change:**

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

▪ **Aspects sociaux, éthiques et environnementaux:**

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société

dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération et de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

**Calcul du risque global**

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

**Risques spécifiques :**

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevé, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>concentration</b>	2
Risque de <b>modèle</b>	1
Risque de <b>liquidité</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénouement</b>	1
Risque de <b>contrepartie</b>	1

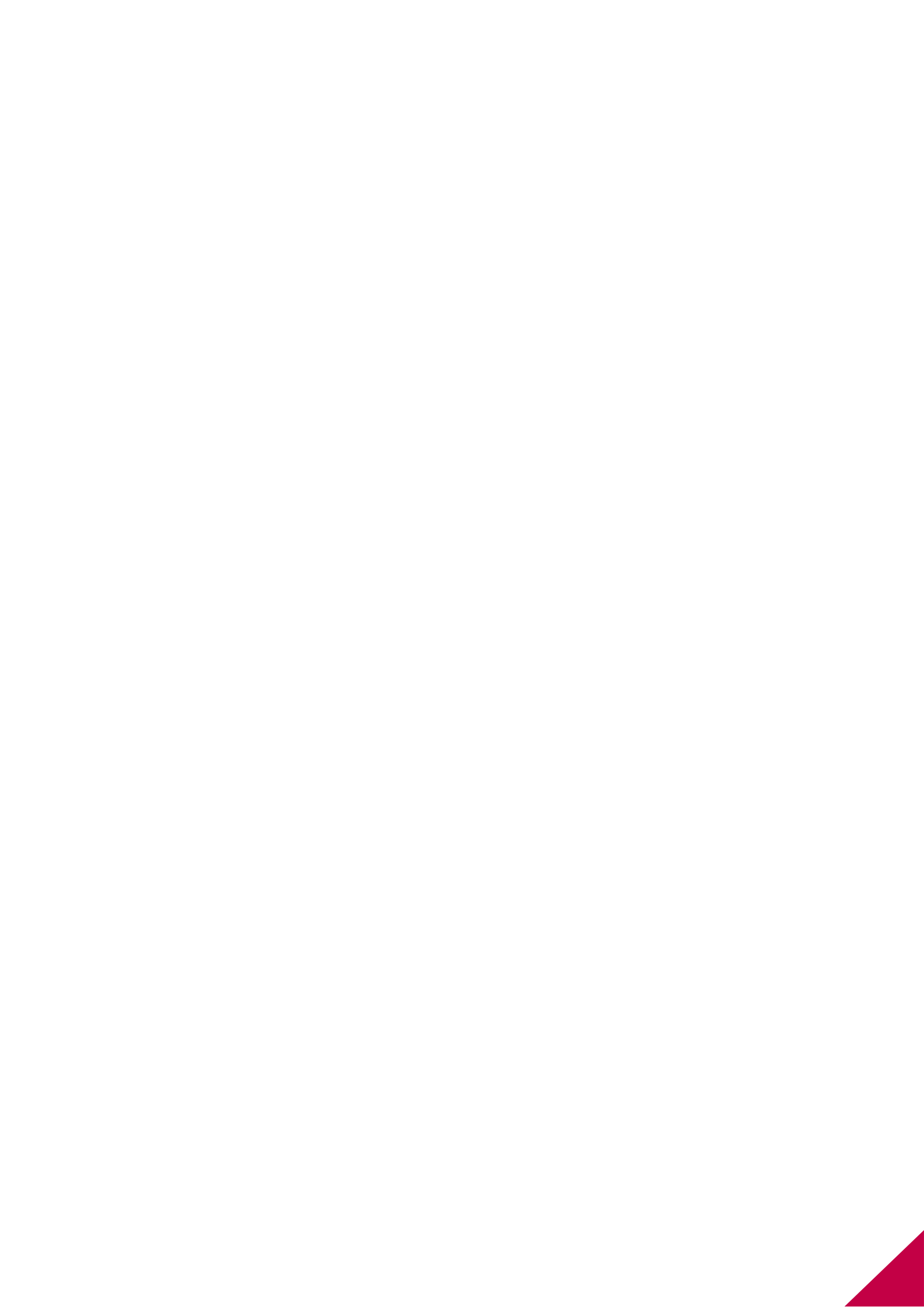
Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

**Profil de risque de l'investisseur-type:**

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

**Horizon d'investissement:**

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.





# Belfius Equities

## Global Health Care

**Dénomination:** Global Health Care (anciennement Pharma Plus)

**Date de constitution:** 14/05/1997

**Durée d'existence:** Durée illimitée

### Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution du marché des actions de sociétés actives dans les secteurs de la pharmacie, des soins de santé et de la biotechnologie et ce, au travers de titres de sociétés sélectionnées par le gestionnaire sur base de leur rentabilité attendue.

### Politique de placement du compartiment:

#### ▪ Catégories d'actifs autorisés:

**Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions** telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, à titre accessoire, les actifs du compartiment pourront également être placés en instruments du marché monétaire, dépôts et/ou liquidités. Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

#### ▪ Stratégie particulière:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés actives dans les secteurs de la pharmacie, des soins de santé et de la biotechnologie. Les trois principales régions du monde (Amérique, Europe, Asie) seront représentées.

#### ▪ Opérations sur instruments financiers dérivés autorisées:

Le compartiment pourra également avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...). L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.**

#### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

#### ▪ Aspects sociaux, éthiques et environnementaux:

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération de

Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

### Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

### Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevés, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>concentration</b>	2
Risque de <b>liquidité</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénouement</b>	1
Risque de <b>contrepartie</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

### Profil de risque de l'investisseur-type:

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur. L'investisseur doit également être conscient du fait que la VNI du compartiment est libellée en USD.

### Horizon d'investissement:

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.

# Belfius Equities Robotics & Innovative Technology

**Dénomination:** Robotics & Innovative Technology (anciennement World Technology, Global Technology)

**Date de constitution:** 14/05/1997

**Durée d'existence:** Durée illimitée

## Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier les actionnaires du potentiel de croissance des actions de sociétés actives dans les secteurs de l'innovation technologique et de la robotique. Ces entreprises sont sélectionnées par l'équipe de gestion sur base discrétionnaire.

## Politique de placement du compartiment:

### ▪ Catégories d'actifs autorisés:

Les actifs de ce compartiment sont investis principalement en actions et/ou en valeurs mobilières assimilables aux actions telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment peuvent également être investis accessoirement, au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, accessoirement, les actifs du compartiment peuvent également être placés en instruments du marché monétaire, dépôts et/ou liquidités.

Les éventuels placements en parts d'organismes de placement collectif ne représentent pas plus de 10% des actifs du compartiment.

### ▪ Stratégie particulière:

Les actifs de ce compartiment sont investis principalement en actions et/ou en valeurs mobilières assimilables aux actions de sociétés à travers le monde, qui sont considérées comme bien positionnées pour tirer profit de l'évolution des secteurs de l'innovation technologique et de la robotique (telle que p .ex. intelligence artificielle, robotisation, virtualisation,...).

Ce compartiment est un fonds de conviction : la gestion du compartiment s'appuie sur une sélection rigoureuse d'un nombre limité d'actions de toutes capitalisations.

La stratégie d'investissement prend en compte des critères ESG (Environnement, Social et Gouvernance) dans sa sélection de titres, via une analyse développée en interne par Candriam. Cette approche ISR de type normative sélectionne les entreprises qui respectent les principes du Pacte Mondial des Nations-Unies (droit de l'Homme, droit du travail, environnement, lutte contre la corruption). Cette analyse est complétée par l'exclusion des activités d'armement dites controversées (mines antipersonnel, bombes à fragmentation, armement à uranium appauvri, armes chimiques, nucléaires ou biologiques) ainsi que les sociétés présentes dans des pays considérés comme ayant un régime hautement oppressif.

### ▪ Opérations sur instruments financiers dérivés autorisées:

Le compartiment pourra avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...)**. En cas d'utilisation d'effet de levier, le risque global qui découlerait des seules positions sur instruments dérivés, ne pourra excéder 100 % de la valeur nette des actifs. L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.

### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

- Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.
- La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération et de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

## Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

## Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peut-être plus ou moins élevé, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le capital	3
Risque actions	3
Risque de change	3
Risque de performance	3
Risque lié aux produits dérivés	2
Risque de liquidité	2
Risque de concentration	2
Risque lié aux pays émergents	1
Risque lié à des facteurs externes	1
Risque de dénouement	1
Risque de contrepartie	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

## Profil de risque de l'investisseur-type:

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur. L'investisseur doit également être conscient du fait que le compartiment est libellé en USD.

**Horizon d'investissement:**

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.

# Belfius Equities Global Telecom

**Dénomination:** Global Telecom (anciennement World Telecom)

**Date de constitution:** 16/12/1999

**Durée d'existence:** Durée illimitée

## Objectifs du compartiment:

L'objectif du compartiment est de faire bénéficier l'actionnaire de l'évolution du marché des actions de sociétés actives dans le secteur des télécommunications.

## Politique de placement du compartiment:

### ▪ Catégories d'actifs autorisés:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, à titre accessoire, les actifs du compartiment pourront également être placés en instruments du marché monétaire, dépôts et/ou liquidités. Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

### ▪ Stratégie particulière:

Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés actives dans les secteurs des télécommunications. Le secteur des télécommunications recouvre entre autres et de façon non limitative des sociétés actives dans les domaines de la téléphonie fixe et mobile et de l'internet. Les principales régions du monde (dont l'Amérique, l'Europe, et l'Asie) seront représentées.

Le portefeuille est construit via un investissement dans les sociétés considérées comme les plus attractives en fonction d'une sélection de facteurs d'analyse bien connus (Valorisation, Qualité, Taille, Tendance et Volatilité par exemple). Cette méthodologie appliquée de manière systématique génère une performance qui peut être proche ou s'écarter sensiblement à la hausse comme à la baisse de la performance d'une méthodologie basée uniquement sur la pondération en fonction des capitalisations boursières.

### ▪ Opérations sur instruments financiers dérivés autorisées:

Le compartiment pourra également avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...).** L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.

### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs géographiques plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

### ▪ Aspects sociaux, éthiques et environnementaux:

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux.

Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou garantis par un pays membre de l'Organisation de Coopération de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

## Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

## Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peut-être plus ou moins élevé, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>concentration</b>	2
Risque de <b>modèle</b>	1
Risque de <b>liquidité</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénoûement</b>	1
Risque de <b>contrepartie</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

## Profil de risque de l'investisseur-type:

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

## Horizon d'investissement:

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.

# Belfius Equities

## Leading Brands

**Dénomination:** Leading Brands (anciennement European Consumer Goods)

**Date de constitution:** 18/01/1999

**Durée d'existence:** Durée illimitée

### Objectifs du compartiment:

L'objectif du compartiment est de privilégier les investissements dans des actions de sociétés considérées comme étant des « leading brands » dans leur segment de marché. Celles-ci appartiendront principalement au secteur des biens de consommation et seront sélectionnées par le gestionnaire sur base de leur rentabilité attendue et de leurs perspectives de croissance.

### Politique de placement du compartiment:

#### ▪ Catégories d'actifs autorisés:

**Les actifs de ce compartiment seront investis principalement en actions et/ou en valeurs mobilières assimilables aux actions** telles que par exemple certificats d'investissement, warrants.

Les actifs du compartiment pourront également être investis accessoirement au travers des autres catégories d'actifs mentionnées dans les statuts annexés au présent document. Ainsi, à titre accessoire, les actifs du compartiment pourront également être placés en instruments du marché monétaire, dépôts et/ou liquidités. Les éventuels placements en parts d'organismes de placement collectif ne représenteront pas plus de 10% des actifs du compartiment.

#### ▪ Stratégie particulière:

Les actifs de ce compartiment seront investis essentiellement en actions et/ou en valeurs mobilières assimilables aux actions émises par des sociétés exploitant des marques reconnues et actives, pour la plupart d'entre elles, dans le secteur des biens de consommation. Les trois principales régions du monde (Amérique, Europe, Asie) seront représentées.

#### ▪ Opérations sur instruments financiers dérivés autorisées:

Le compartiment pourra également avoir recours, dans le respect des règles légales en vigueur, à l'utilisation de produits dérivés, comme par exemple des options, des futures et des opérations de change **et ce, tant dans un but d'investissement que dans un but de couverture de différents risques (marché, change, ...). L'investisseur doit être conscient du fait que ces types de produits dérivés sont plus volatils que les instruments sous-jacents.**

#### ▪ Description de la stratégie générale visant à couvrir le risque de change:

Le compartiment n'a pas l'intention de couvrir systématiquement l'exposition du risque de change.

▪ Si la composition du portefeuille doit respecter des règles et limites générales prescrites par la loi ou les statuts, il n'en reste pas moins qu'une concentration de risques peut se produire dans des catégories d'actifs et/ou dans des secteurs ou régions plus restreints.

▪ La politique d'investissement veille à assurer une diversification des risques du portefeuille. L'évolution de la valeur nette d'inventaire est toutefois incertaine car elle est soumise aux différents types de risque évoqués ci-dessous. **Il peut en résulter une volatilité élevée de son cours.**

#### ▪ Aspects sociaux, éthiques et environnementaux:

La politique d'investissement du compartiment n'est pas particulièrement basée sur des critères sociaux, éthiques ou environnementaux. Néanmoins le compartiment n'investira pas dans des titres d'une société dont l'activité consiste en la fabrication, l'utilisation ou la détention de mines antipersonnel, de bombes à sous-munitions et/ou d'armes à l'uranium appauvri.

Au travers du collatéral susceptible d'être reçu dans l'activité de prêts de titres, le Fonds pourrait être exposé jusqu'à 100% sur des titres émis ou

garantis par un pays membre de l'Organisation de Coopération de Développement Economique (OCDE), ses collectivités publiques ou par des organismes internationaux à caractère public dont font partie un ou plusieurs Etats membres de l'OCDE. Ces émetteurs sont réputés de bonne qualité (c'est-à-dire bénéficiant d'un rating minimum BBB- / Baa3 par une des agences de notation reconnue et / ou considérés comme tel par la société de gestion). En outre, si le fonds fait usage de cette dernière possibilité, il doit détenir alors des titres appartenant à 6 émissions différentes au moins sans que une émission n'excède 30% des actifs nets. Les pays concernés sont les suivants : Autriche, Australie, Belgique, Canada, Danemark, Finlande, France, Allemagne, Irlande, Italie, Japon, Pays-Bas, Norvège, Espagne, Suède, Suisse, Royaume-Uni, Etats-Unis.

### Calcul du risque global

La méthode de calcul du risque global utilisée par la société de gestion est la méthode de calcul de l'engagement, telle que définie par la réglementation. Cette méthode consiste à convertir les produits dérivés en positions équivalentes de l'actif sous-jacent (le cas échéant en fonction de leur sensibilité respective). Le cas échéant, cette conversion peut être remplacée par la valeur notionnelle.

Un produit dérivé ne sera pas pris en compte dans le calcul du risque global dans les situations suivantes :

- si la détention simultanée de ce produit dérivé lié à un actif financier et de liquidités investies en actifs sans risque est équivalente à la détention directe de l'actif financier en question ;
- si ce produit dérivé échange la performance d'actifs financiers détenus en portefeuille contre la performance d'autres actifs financiers de référence (sans risques supplémentaires comparativement à la détention directe des actifs financiers de référence).

Le Fonds peut procéder à des compensations entre positions acheteuses et vendeuses sur des produits dérivés portant sur des actifs sous-jacents identiques quelle que soit l'échéance des contrats. En outre, des compensations sont également permises entre produits dérivés et actifs détenus directement à condition que les deux positions portent sur le même actif ou sur des actifs dont les rendements historiques sont étroitement corrélés. Les compensations peuvent se faire soit en termes de valeur de marché, soit en termes d'indicateur de risque.

Le risque global assumé par le Fonds ne peut pas dépasser 200% de la valeur nette d'inventaire.

### Risques spécifiques :

Les niveaux de risque spécifiques au Fonds dans le tableau ci-dessous peuvent être plus ou moins élevé, à savoir : Faible (1), Moyen (2), Elevé (3)

Liste des risques	Niveau
Risque pesant sur le <b>capital</b>	3
Risque <b>actions</b>	3
Risque de <b>change</b>	3
Risque de <b>performance</b>	3
Risque lié aux <b>produits dérivés</b>	2
Risque de <b>liquidité</b>	1
Risque lié à des facteurs <b>externes</b>	1
Risque de <b>dénuement</b>	1
Risque de <b>contrepartie</b>	1

Il est rappelé à l'investisseur que le capital ne bénéficie ni d'une garantie ni d'un mécanisme de protection, que la valeur de son investissement peut augmenter comme diminuer et qu'il peut donc recevoir moins que sa mise .

### Profil de risque de l'investisseur-type:

Ce compartiment est destiné à toute personne physique ou morale, suffisamment avertie quant au risque inhérent aux marchés d'actions, qui comprend le type de risque du compartiment et l'accepte au regard de son propre profil d'investisseur.

### Horizon d'investissement:

Le Fonds pourrait ne pas convenir aux investisseurs qui prévoient de retirer leur apport dans les 6 ans.

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